



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2009 REGULAR SESSION

SENATE BILL NO. 185

CORRECTED

MONDAY, MARCH 2, 2009

The following bill was reported to the House from the Senate and ordered to be printed.

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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY P. Kinsolving

AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1 ➔Section 1. KRS 11.065 is amended to read as follows:

- 2 (1) The secretaries of the Justice and Public Safety Cabinet, the Education Cabinet, the
3 Environmental and Public Protection Cabinet, the Transportation Cabinet, the
4 Cabinet for Economic Development, the Cabinet for Health and Family Services,
5 the Finance and Administration Cabinet, the **Tourism, Arts and**
6 **Heritage**~~[Commerce]~~ Cabinet, the Personnel Cabinet, the Governor's Executive
7 Cabinet, the state budget director, the Governor's chief of staff, and the Lieutenant
8 Governor shall constitute the Governor's Executive Cabinet. There shall be a vice
9 chairman appointed by the Governor who shall serve in an advisory capacity to the
10 Executive Cabinet. The Governor shall be the chairman, and the secretary of the
11 Finance and Administration Cabinet shall be a second vice chairman of the
12 Executive Cabinet. The Governor may designate others to serve as vice chairman.
- 13 (2) The cabinet shall meet not less than once every two (2) months and at other times
14 on call of the Governor. The Executive Cabinet shall be a part of the Office of the
15 Governor and shall not constitute a separate department or agency of the state.
16 Members of the cabinet shall be the major assistants to the Governor in the
17 administration of the state government and shall assist the Governor in the proper
18 operation of his office and perform other duties the Governor may require of them.
- 19 (3) The cabinet shall consider matters involving policies and procedures the Governor
20 or any member may place before it. The cabinet shall advise and consult with the
21 Governor on all matters affecting the welfare of the state.

22 ➔Section 2. KRS 11.515 is amended to read as follows:

- 23 (1) There is hereby established a Geographic Information Advisory Council to advise
24 the executive director of the Commonwealth Office of Technology on issues
25 relating to geographic information and geographic information systems.

- 1 (2) The council shall establish and adopt policies and procedures that assist state and
2 local jurisdictions in developing, deploying, and leveraging geographic information
3 resources and geographic information systems technology for the purpose of
4 improving public administration.
- 5 (3) The council shall closely coordinate with users of geographic information systems
6 to establish policies and procedures that insure the maximum use of geographic
7 information by minimizing the redundancy of geographic information and
8 geographic information resources.
- 9 (4) The Geographic Information Advisory Council shall consist of twenty-four (24)
10 members and one (1) legislative liaison. The members shall be knowledgeable in
11 the use and application of geographic information systems technology and shall
12 have sufficient authority within their organizations to influence the implementation
13 of council recommendations.
- 14 (a) The council shall consist of:
 - 15 1. The secretary of the Transportation Cabinet or his designee;
 - 16 2. The secretary of the Cabinet for Health and Family Services or his or her
17 designee;
 - 18 3. The director of the Kentucky Geological Survey or his designee;
 - 19 4. The secretary of the Finance and Administration Cabinet or his
20 designee;
 - 21 5. The executive director of the Commonwealth Office of Technology or
22 her or his designee;
 - 23 6. The secretary of the Economic Development Cabinet or his designee;
 - 24 7. The commissioner of the Governor's Office for Local Development or
25 his designee;
 - 26 8. The secretary of the Justice and Public Safety Cabinet or his designee;
 - 27 9. One (1) member appointed by the Governor from a list of three (3)

- 1 persons submitted by the president of the Council on Postsecondary
- 2 Education;
- 3 10. The adjutant general of the Department of Military Affairs or his
- 4 designee;
- 5 11. The commissioner of the Department of Education or his designee;
- 6 12. The secretary of the Environmental and Public Protection Cabinet or his
- 7 designee;
- 8 13. The Commissioner of the Department of Agriculture or his designee;
- 9 14. The secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet or
- 10 his designee;
- 11 15. Two (2) members appointed by the Governor from a list of six (6)
- 12 persons submitted by the president of the Kentucky League of Cities;
- 13 16. Two (2) members appointed by the Governor from a list of six (6)
- 14 persons submitted by the president of the Kentucky Association of
- 15 Counties;
- 16 17. One (1) member appointed by the Governor from a list of three (3)
- 17 persons submitted by the president of the Kentucky Chapter of the
- 18 American Planning Association;
- 19 18. One (1) member appointed by the Governor from a list of three (3)
- 20 persons submitted by the president of the Kentucky Chamber of
- 21 Commerce;
- 22 19. One (1) member appointed by the Governor from a list of three (3)
- 23 persons submitted by the president of the Kentucky Association of Land
- 24 Surveyors;
- 25 20. One (1) member appointed by the Governor from a list of three (3)
- 26 persons submitted by the president of the Kentucky Society of
- 27 Professional Engineers;

- 1 21. One (1) member appointed by the Governor from a list of three (3)
2 persons submitted by the chairman of the Kentucky Board of Registered
3 Geologists; and
- 4 22. One (1) member appointed by the Governor from a list of three (3)
5 persons submitted by the president of the Council of Area Development
6 Districts.
- 7 (b) The council shall have one (1) nonvoting legislative liaison, to be appointed
8 by the Legislative Research Commission.
- 9 (5) The chair shall be appointed by the Governor. The council may have committees
10 and subcommittees as determined by the council or an executive committee, if an
11 executive committee exists.
- 12 (6) A member of the council shall not:
- 13 (a) Be an officer, employee, or paid consultant of a business entity that has, or of
14 a trade association for business entities that have, a substantial interest in the
15 geographic information industry and is doing business in the Commonwealth;
- 16 (b) Own, control, or have, directly or indirectly, more than ten percent (10%)
17 interest in a business entity that has a substantial interest in the geographic
18 information industry;
- 19 (c) Be in any manner connected with any contract or bid for furnishing any
20 governmental body of the Commonwealth with geographic information
21 systems, the computers on which they are automated, or a service related to
22 geographic information systems;
- 23 (d) Be a person required to register as a lobbyist because of activities for
24 compensation on behalf of a business entity that has, or on behalf of a trade
25 association of business entities that have, substantial interest in the geographic
26 information industry;
- 27 (e) Accept or receive money or another thing of value from an individual, firm, or

1 corporation to whom a contract may be awarded, directly or indirectly, by
 2 rebate, gift, or otherwise; or

3 (f) Be liable to civil action or any action performed in good faith in the
 4 performance of duties as a council member.

5 (7) Those council members specified in subsection (4)(a) of this section who serve by
 6 virtue of an office shall serve on the council while they hold that office.

7 (8) Appointed members of the council shall serve for a term of four (4) years.
 8 Vacancies in the membership of the council shall be filled in the same manner as
 9 the original appointments. If a nominating organization changes its name, its
 10 successor organization having the same responsibilities and purposes shall be the
 11 nominating organization.

12 (9) The council shall have no funds of its own, and council members shall not receive
 13 compensation of any kind from the council.

14 (10) A majority of the members shall constitute a quorum for the transaction of business.
 15 Members' designees shall have voting privileges at council meetings.

16 ➔Section 3. KRS 12.020 is amended to read as follows:

17 Departments, program cabinets and their departments, and the respective major
 18 administrative bodies that they include are enumerated in this section. It is not intended
 19 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
 20 bureau, interstate compact, commission, committee, conference, council, office, or any
 21 other form of organization shall be included in or attached to the department or program
 22 cabinet in which they are included or to which they are attached by statute or statutorily
 23 authorized executive order; except in the case of the Personnel Board and where the
 24 attached department or administrative body is headed by a constitutionally elected officer,
 25 the attachment shall be solely for the purpose of dissemination of information and
 26 coordination of activities and shall not include any authority over the functions,
 27 personnel, funds, equipment, facilities, or records of the department or administrative

1 body.

2 I. Cabinet for General Government - Departments headed by elected officers:

3 1. The Governor.

4 2. Lieutenant Governor.

5 3. Department of State.

6 (a) Secretary of State.

7 (b) Board of Elections.

8 (c) Registry of Election Finance.

9 4. Department of Law.

10 (a) Attorney General.

11 5. Department of the Treasury.

12 (a) Treasurer.

13 6. Department of Agriculture.

14 (a) Commissioner of Agriculture.

15 (b) Kentucky Council on Agriculture.

16 7. Auditor of Public Accounts.

17 II. Program cabinets headed by appointed officers:

18 1. Justice and Public Safety Cabinet:

19 (a) Department of Kentucky State Police.

20 (b) Department of Criminal Justice Training.

21 (c) Department of Corrections.

22 (d) Department of Juvenile Justice.

23 (e) Office of the Secretary.

24 (f) Office of Drug Control Policy.

25 (g) Office of Legal Services.

26 (h) Office of the Kentucky State Medical Examiner.

27 (i) Parole Board.

- 1 (j) Kentucky State Corrections Commission.
- 2 (k) Office of Legislative and Intergovernmental Services.
- 3 (l) Office of Management and Administrative Services.
- 4 (m) Office of Public Safety Training.
- 5 (n) Office of Investigations.
- 6 (o) Department of Kentucky Vehicle Enforcement.
- 7 (p) Department for Public Advocacy.
- 8 2. Education Cabinet:
 - 9 (a) Office of the Secretary.
 - 10 (b) Office of Legal Services.
 - 11 1. Client Assistance Program.
 - 12 (c) Office of Communication.
 - 13 (d) Office of Legislative and Intergovernmental Affairs.
 - 14 (e) Office of Budget and Administration.
 - 15 1. Division of Human Resources.
 - 16 2. Division of Administrative Services.
 - 17 3. Division of Technology Services.
 - 18 (f) Board of Directors for the Center for School Safety.
 - 19 (g) Council on Postsecondary Education.
 - 20 1. Foundation for Adult Education.
 - 21 (h) Department of Education.
 - 22 1. Kentucky Board of Education.
 - 23 (i) Department for Libraries and Archives.
 - 24 (j) Department of Workforce Investment.
 - 25 1. Office for the Blind.
 - 26 2. Office of Vocational Rehabilitation.
 - 27 3. Office of Career and Technical Education.

- 1 4. Office of Employment and Training.
- 2 (k) Foundation for Workforce Development.
- 3 (l) Kentucky Office for the Blind State Rehabilitation Council.
- 4 (m) Kentucky Technical Education Personnel Board.
- 5 (n) Kentucky Workforce Investment Board.
- 6 (o) Statewide Council for Vocational Rehabilitation.
- 7 (p) Statewide Independent Living Council.
- 8 (q) Unemployment Insurance Commission.
- 9 (r) Education Professional Standards Board.
- 10 1. Division of Educator Preparation.
- 11 2. Division of Certification.
- 12 3. Division of Professional Learning and Assessment.
- 13 4. Division of Legal Services.
- 14 (s) Kentucky Commission on the Deaf and Hard of Hearing.
- 15 (t) Kentucky Educational Television.
- 16 (u) Kentucky Environmental Education Council.
- 17 3. Environmental and Public Protection Cabinet:
- 18 (a) Office of the Secretary.
- 19 1. Office of Legislative and Intergovernmental Affairs.
- 20 2. Office of Communications and Public Outreach.
- 21 3. Office of Regulatory Affairs.
- 22 4. Office of Legal Services.
- 23 5. Office of Administrative and Information Services.
- 24 6. Office of Administrative Hearings.
- 25 7. Office of Inspector General.
- 26 8. Mine Safety Review Commission.
- 27 9. Workers' Compensation Board.

- 1 10. Kentucky State Nature Preserves Commission.
- 2 11. Kentucky Environmental Quality Commission.
- 3 12. Kentucky Occupational Safety and Health Review Commission.
- 4 (b) Department for Environmental Protection.
 - 5 1. Office of the Commissioner.
 - 6 2. Division of Air Quality.
 - 7 3. Division of Water.
 - 8 4. Division of Environmental Services.
 - 9 5. Division of Waste Management.
 - 10 6. Division of Enforcement.
 - 11 7. Division of Compliance Assistance.
- 12 (c) Department for Natural Resources.
 - 13 1. Office of the Commissioner.
 - 14 2. Office of Technical and Administrative Support.
 - 15 3. Division of Mine Permits.
 - 16 4. Division of Mine Reclamation and Enforcement.
 - 17 5. Division of Abandoned Mine Lands.
 - 18 6. Division of Oil and Gas Conservation.
 - 19 7. Office of Mine Safety and Licensing.
 - 20 8. Division of Forestry.
 - 21 9. Division of Conservation.
- 22 (d) Department of Public Protection.
 - 23 1. Office of the Commissioner.
 - 24 2. Division of Administrative Services.
 - 25 3. Crime Victims Compensation Board.
 - 26 4. Board of Claims.
 - 27 5. Board of Tax Appeals.

- 1 6. Kentucky Boxing and Wrestling Authority.
- 2 7. Kentucky Horse Racing Authority.
- 3 8. Kentucky Public Service Commission.
- 4 9. Office of Alcoholic Beverage Control.
- 5 10. Office of Charitable Gaming.
- 6 11. Office of Financial Institutions.
- 7 12. Office of Housing, Buildings and Construction.
- 8 13. Office of Insurance.
- 9 (e) Department of Labor.
- 10 1. Office of the Commissioner.
- 11 2. Office of Occupational Safety and Health.
- 12 3. Office of Labor Management Relations and Mediation.
- 13 4. Office of Workplace Standards.
- 14 5. Office of Workers' Claims.
- 15 6. Workers' Compensation Funding Commission.
- 16 7. Kentucky Labor Management Advisory Council.
- 17 8. Occupational Safety and Health Standards Board.
- 18 9. Prevailing Wage Review Board.
- 19 10. Kentucky Employees Insurance Association.
- 20 11. Apprenticeship and Training Council.
- 21 12. State Labor Relations Board.
- 22 13. Workers' Compensation Advisory Council.
- 23 14. Workers' Compensation Nominating Commission.
- 24 15. Employers' Mutual Insurance Authority.
- 25 16. Division of Administrative Services.
- 26 4. Transportation Cabinet:
- 27 (a) Department of Highways.

- 1 1. Office of Program Planning and Management.
- 2 2. Office of Project Development.
- 3 3. Office of Construction and Operations.
- 4 4. Office of Intermodal Programs.
- 5 5. Highway District Offices One through Twelve.
- 6 (b) Department of Vehicle Regulation.
- 7 (c) Department of Administrative Services.
- 8 (d) Department of Aviation.
- 9 (e) Department of Intergovernmental Programs.
- 10 1. Office of Transportation Enhancement Programs.
- 11 2. Office of Rural and Secondary Roads.
- 12 (f) Office of the Secretary.
- 13 1. Office of Legislative and Intergovernmental Affairs.
- 14 2. Office of Public Affairs.
- 15 3. Office of Transportation Delivery.
- 16 4. Office for Business and Occupational Development.
- 17 5. Office of Budget and Fiscal Management.
- 18 6. Office of Legal Services.
- 19 7. Office of Inspector General.
- 20 8. Office of the Transportation Operations Center.
- 21 9. Office of Personnel Management.
- 22 5. Cabinet for Economic Development:
- 23 (a) Office of Administration and Support.
- 24 (b) Department for New Business Development.
- 25 (c) Department of Financial Incentives.
- 26 (d) Department for Existing Business Development.
- 27 (e) Tobacco Research Board.

- 1 (f) Kentucky Economic Development Finance Authority.
- 2 (g) Office of Research and Information Technology.
- 3 (h) Department of Commercialization and Innovation.
- 4 (i) Office of Legal Services.
- 5 (j) Commission on Small Business Advocacy.
- 6 6. Cabinet for Health and Family Services:
- 7 (a) Department for Public Health.
- 8 (b) Department for Medicaid Services.
- 9 (c) Department for Mental Health and Mental Retardation Services.
- 10 (d) Kentucky Commission for Children with Special Health Care Needs.
- 11 (e) Office of Health Policy.
- 12 (f) Office of the Secretary.
- 13 (g) Office of Legal Services.
- 14 (h) Office of Inspector General.
- 15 (i) Office of Legislative and Public Affairs.
- 16 (j) Department for Community Based Services.
- 17 (k) Department for Disability Determination Services.
- 18 (l) Office of the Ombudsman.
- 19 (m) Department for Human Support Services.
- 20 (n) Kentucky Commission on Community Volunteerism and Service.
- 21 (o) Office of Fiscal Services.
- 22 (p) Office of Human Resource Management.
- 23 (q) Office of Technology.
- 24 (r) Office of Contract Oversight.
- 25 (s) Governor's Office of Wellness and Physical Activity.
- 26 (t) Department for Aging and Independent Living.
- 27 7. Finance and Administration Cabinet:

- 1 (a) Office of General Counsel.
- 2 (b) Office of the Controller.
- 3 (c) Office of Administrative Services.
- 4 (d) Office of Public Information.
- 5 (e) Department for Facilities and Support Services.
- 6 (f) Department of Revenue.
- 7 (g) Commonwealth Office of Technology.
- 8 (h) State Property and Buildings Commission.
- 9 (i) Kentucky Savings Bond Authority.
- 10 (j) Office of Equal Employment Opportunity and Contract Compliance.
- 11 (k) Kentucky Employees Retirement Systems.
- 12 (l) Commonwealth Credit Union.
- 13 (m) State Investment Commission.
- 14 (n) Kentucky Housing Corporation.
- 15 (o) Kentucky Local Correctional Facilities Construction Authority.
- 16 (p) Kentucky Turnpike Authority.
- 17 (q) Historic Properties Advisory Commission.
- 18 (r) Kentucky Tobacco Settlement Trust Corporation.
- 19 (s) State Board for Proprietary Education.
- 20 (t) Kentucky Higher Education Assistance Authority.
- 21 (u) Kentucky River Authority.
- 22 (v) Kentucky Teachers' Retirement System Board of Trustees.
- 23 8. **Tourism, Arts and Heritage**~~[Commerce]~~ Cabinet:
- 24 (a) **Kentucky** Department of **Travel**~~[Tourism]~~.
- 25 (1) Division of Tourism Services.
- 26 (2) Division of Marketing and **Administration**~~[Advertising]~~.
- 27 (3) Division of **Communications and Promotions**~~[Parks Marketing]~~.

(b) Kentucky Department of Parks.

(1) Division of Information Technology.

(2) Division of *Human Resources*~~[Personnel and Payroll]~~.

(3) Division of Financial Operations.

(4) Division of Facilities Management.

(5) Division of Facilities Maintenance.

(6) Division of Customer Services.

(7) Division of Recreation.

(8) Division of Golf Courses.

(9) Division of Food Services.

(10) Division of Rangers.

(11) Division of *Resort*~~[Eastern]~~ Parks.

(12) Division of *Recreational Parks and Historic Sites*~~[Southern Parks]~~.

~~(13) Division of Western Parks]~~.

(c) Department of Fish and Wildlife Resources.

(1) Division of Law Enforcement.

(2) Division of Administrative Services.

(3) Division of Engineering.

(4) Division of Fisheries.

(5) Division of Information and Education.

(6) Division of Wildlife.

(7) Division of Public Affairs.

(d) Kentucky Horse Park.

(1) Division of Support Services.

(2) Division of Buildings and Grounds.

(3) Division of Operational Services.

- 1 (e) Kentucky State Fair Board.
- 2 (1) Division of Expositions and Admission.
- 3 (2) Division of Kentucky Fair and Exposition Center Operations.
- 4 (3) Division of Commonwealth Convention Center.
- 5 (4) Division of Public Relations and Media.
- 6 (5) Division of Administrative Services.
- 7 (6) Division of Personnel Management and Staff Development.
- 8 (7) Division of Sales.
- 9 (8) Division of Security and Traffic Control.
- 10 (f) Office of the Secretary.
- 11 (1)~~(g)~~ Office of Finance~~[-and Administration]~~.
- 12 (2) ***Office of Research and Administration.***
- 13 (3) ***Office of Governmental Relations and Tourism Development.***
- 14 (4) ***Office of the Sports Authority.***
- 15 (5) ***Kentucky Sports Authority.***
- 16 (g)~~(h)~~ Office of Legal Affairs.
- 17 ~~(i)~~—Office of Intergovernmental Affairs.]
- 18 (h)~~(i)~~ Office of Human Resources.
- 19 (i)~~(k)~~ Office of Public Affairs and Constituent Services.
- 20 ~~(l)~~—Office of Information Technology.
- 21 ~~(m)~~—Office of the Kentucky Sports Authority.
- 22 ~~(1)~~—Kentucky Sports Authority Board.]
- 23 (j)~~(n)~~ Office of Creative Services.
- 24 (k)~~(o)~~ Office of Capital Plaza Operations.
- 25 (l)~~(p)~~ Office of Arts and Cultural Heritage.
- 26 (m)~~(q)~~ Kentucky African-American Heritage Commission.
- 27 (n)~~(r)~~ Kentucky Foundation for the Arts.

- 1 (o)~~{(s)}~~ Kentucky Humanities Council.
- 2 (p)~~{(t)}~~ Kentucky Heritage Council.
- 3 (q)~~{(u)}~~ Kentucky Arts Council.
- 4 (r)~~{(v)}~~ Kentucky Historical Society.
- 5 (1) Division of Museums.
- 6 (2) Division of Oral History and Educational Outreach.
- 7 (3) Division of Research and Publications.
- 8 (4) Division of Administration.
- 9 (s)~~{(w)}~~ Kentucky Center for the Arts.
- 10 (1) Division of Governor's School for the Arts.
- 11 (t)~~{(x)}~~ Kentucky Artisans Center at Berea.
- 12 ~~{(y) — Martin Luther King Commission.}~~
- 13 (u)~~{(z)}~~ Northern Kentucky Convention Center.
- 14 (v)~~{(aa)}~~ Eastern Kentucky Exposition Center.
- 15 9. Personnel Cabinet:
- 16 (a) Office of the Secretary.
- 17 (b) Department for Personnel Administration.
- 18 (c) Office for Employee Relations.
- 19 (d) Kentucky Public Employees Deferred Compensation Authority.
- 20 (e) Office of Administrative Services.
- 21 (f) Office of Legal Services.
- 22 (g) Office of Government Training.
- 23 (h) Department for Employee Insurance.
- 24 III. Other departments headed by appointed officers:
- 25 1. Department of Military Affairs.
- 26 2. Governor's Office for Local Development.
- 27 3. Kentucky Commission on Human Rights.

- 1 4. Kentucky Commission on Women.
- 2 5. Department of Veterans' Affairs.
- 3 6. Kentucky Commission on Military Affairs.
- 4 7. Office of Minority Empowerment.
- 5 8. Governor's Council on Wellness and Physical Activity.

6 ➔Section 4. KRS 12.023 is amended to read as follows:

7 The following organizational units and administrative bodies shall be attached to the
8 Office of the Governor:

- 9 (1) Department of Military Affairs;
- 10 (2) Governor's Office for Local Development;
- 11 (3) Kentucky Commission on Human Rights;
- 12 (4) Kentucky Commission on Women;
- 13 (5) Kentucky Commission on Military Affairs;
- 14 (6) Governor's Scholars Program;
- 15 (7) Agricultural Development Board;
- 16 (8) Kentucky Agricultural Finance Corporation;
- 17 (9) Office of Minority Empowerment;
- 18 **(a) The Martin Luther King Commission;**
- 19 (10) Office of Homeland Security;
- 20 (11) Governor's Council on Wellness and Physical Activity; and
- 21 (12) The Governor's Office of Energy Policy.

22 ➔Section 5. KRS 12.250 is amended to read as follows:

23 There are established within state government the following program cabinets:

- 24 (1) Justice and Public Safety Cabinet.
- 25 (2) Education Cabinet.
- 26 (3) Environmental and Public Protection Cabinet.
- 27 (4) Transportation Cabinet.

- 1 (5) Cabinet for Economic Development.
- 2 (6) Cabinet for Health and Family Services.
- 3 (7) Finance and Administration Cabinet.
- 4 (8) **Tourism, Arts and Heritage**~~[Commeree]~~ Cabinet.
- 5 (9) Personnel Cabinet.

6 ➔Section 6. KRS 45.001 is amended to read as follows:

- 7 (1) The Capital Development Committee is created. The committee shall ensure the
- 8 proper coordination of state government initiatives which impact the City of
- 9 Frankfort and Franklin County government and are unique to the seat of state
- 10 government.
- 11 (2) The committee shall meet at least semiannually at a time and place announced by
- 12 the chairperson.
- 13 (3) The membership of the committee shall consist of the following members or their
- 14 designees:
 - 15 (a) The mayor of the city of Frankfort;
 - 16 (b) The county judge/executive of Franklin County;
 - 17 (c) The secretary of the Finance and Administration Cabinet;
 - 18 (d) The secretary of the **Tourism, Arts and Heritage**~~[Commeree]~~ Cabinet;
 - 19 (e) The secretary of the Education Cabinet;
 - 20 (f) The commissioner of the **Kentucky** Department of **Travel**~~[Tourism]~~;
 - 21 (g) The executive director of the Office of Capital Plaza Operations;
 - 22 (h) The chairman of the Frankfort/Franklin County Tourist and Convention
 - 23 Commission;
 - 24 (i) A citizen at large, who is a resident of Franklin County, appointed by the
 - 25 Franklin County judge/executive; and
 - 26 (j) A citizen at large, who is a resident of Frankfort, appointed by the mayor of
 - 27 the city of Frankfort.

1 The citizen-at-large members of the committee shall be appointed to a term of four
2 (4) years each.

3 (4) The Governor shall appoint the chairperson of the committee.

4 (5) Members of the committee shall serve without compensation.

5 (6) The Office of Capital Plaza Operations shall provide administrative support to the
6 committee.

7 ➔Section 7. KRS 56.777 is amended to read as follows:

8 (1) A High-Performance Buildings Advisory Committee is hereby created and shall be
9 administratively staffed by the cabinet.

10 (2) The committee shall consist of fifteen (15) members and shall include:

11 (a) A representative of the cabinet designated by the secretary;

12 (b) A representative of the Tourism, Arts and Heritage~~[Commeree]~~ Cabinet
13 designated by the secretary;

14 (c) A representative of the Department of Education designated by the
15 commissioner;

16 (d) A representative of the Council on Postsecondary Education designated by the
17 president;

18 (e) A representative of the Governor's Office of Energy Policy designated by the
19 executive director; and

20 (f) A representative appointed by the Governor from each of the following:

21 1. The design and construction industry involved in public works
22 contracting;

23 2. The Kentucky Chapter of the U. S. Green Building Council;

24 3. The University of Kentucky College of Design;

25 4. The Kentucky Forest Industries Association;

26 5. The Kentucky Society of the American Institute of Architects;

27 6. The American Society of Heating, Refrigerating, and Air-Conditioning

1 Engineers; and

2 7. The Home Builders Association of Kentucky;

3 8. The Associated General Contractors of Kentucky;

4 9. The West Kentucky Construction Association; and

5 10. The Kentucky Manufactured Housing Institute.

6 (3) The representative of the cabinet shall serve as the chairperson of the committee.

7 All appointments shall be for a term of two (2) years. Committee members shall
8 serve until their successors are appointed and shall be eligible for reappointment.

9 (4) The committee shall meet at least monthly or as convened by the chairperson.

10 (5) The members of the committee shall receive reimbursement for the cost of travel to
11 and from the meetings and any costs necessarily incurred in carrying out their
12 duties.

13 (6) The committee shall:

14 (a) Consult with architects, engineers, builders, energy and conservation
15 organizations, and other interested stakeholders, and make recommendations
16 to the cabinet regarding:

17 1. Standards and benchmarks developed under existing high-performance
18 building programs, including the ENERGY STAR rating system, Green
19 Globes rating system, and Leadership in Energy and Environmental
20 Design (LEED) Green Building rating system; and

21 2. Standards and guidelines developed and adopted by the U.S. Green
22 Building Council, the American Society of Heating, Refrigerating and
23 Air-Conditioning Engineers, and the Illuminating Engineering Society of
24 North America partnership concerning the design of sustainable
25 buildings to balance environmental responsibility, resource efficiency,
26 occupant comfort and well-being, and community sensitivity;

27 (b) Assist the cabinet in the review of state building projects to ensure that

1 building performance and efficiency are maximized to the extent
2 economically feasible using a life-cycle cost analysis;

3 (c) Assist the cabinet in developing a process of documentation of the attainment
4 of high-performance building standards; and

5 (d) Assist the cabinet in conducting an ongoing professional development
6 program for state and local building designers, construction companies, school
7 districts, building managers, and the general public on high-performance
8 building design, construction, maintenance, and operation.

9 (7) Prior to the implementation of KRS 56.770 to 56.784, the cabinet shall promulgate
10 administrative regulations pursuant to KRS Chapter 13A necessary to implement
11 this section. The cabinet shall consider the recommendations made by the High-
12 Performance Buildings Advisory Committee pursuant to subsection (6) of this
13 section and shall establish the criteria for the high-performance building standards
14 and the benchmarks by which the high-performance building standards will be
15 measured. At a minimum, the cabinet shall:

16 (a) Include the standards for site selection and management, water efficiency,
17 energy conservation, waste reduction, material and resource use, and indoor
18 air quality; and

19 (b) Require that each high-performance building be designed, constructed, or
20 renovated so that it is capable of being rated as an ENERGY STAR building
21 in accordance with the criteria and rating system adopted by the United States
22 Environmental Protection Agency and in effect at the time the building is
23 designed or, in the case of leased buildings, at the time the lease is entered
24 into on or after July 1, 2018.

25 (8) In developing the criteria for the high-performance building standards, the cabinet
26 shall consider and encourage the use of:

27 (a) Locally grown lumber from forest lands implementing sustainable practices

established by the American Tree Farm System's Sustainable Forest Initiative
or the Kentucky Forest Stewardship Program established under KRS 149.330
to 149.355;

(b) Building materials manufactured with recycled content within the
Commonwealth; and

(c) Renewable energy sources.

➔Section 8. KRS 62.160 is amended to read as follows:

(1) The state officers elected by the voters of the state at large, except the Governor and
the Lieutenant Governor, the heads of departments, offices, and cabinets of the state
government, the adjutant general, the members of the Public Service Commission,
the members of the State Fair Board and Fish and Wildlife Resources Commission,
and the members of the Kentucky Board of Tax Appeals and the Alcoholic
Beverage Control Board, shall each give bond. The amounts of the bonds shall be
fixed by the Governor, which amounts as to those offices set forth in subsection (2)
of this section shall be not less than the amounts set forth for the respective offices.
At any time when it appears to be to the interest of the Commonwealth, the
Governor may increase the penal sum of any bond or require a renewal of the bond
with other or additional surety.

(2) The minimum sum of the bond for the following offices shall be as follows:

Secretary of State	\$10,000
Attorney General	10,000
State Treasurer	300,000
Secretary for economic development	10,000
Commissioner of Agriculture	10,000
Secretary for education	10,000
Auditor of Public Accounts	25,000
Adjutant general	10,000

1	Secretary of finance and administration	100,000
2	Commissioner of revenue	50,000
3	Secretary of transportation	50,000
4	Commissioner of highways	50,000
5	Secretary of justice and public safety	50,000
6	Secretary of corrections	25,000
7	Commissioner for public health services	10,000
8	Commissioner of labor	5,000
9	Commissioner for natural resources	50,000
10	State librarian	5,000
11	Executive director of alcoholic beverage control	10,000
12	Executive director of financial institutions	25,000
13	Secretary for environmental and public protection	10,000
14	Executive director of insurance	50,000
15	Commissioner of vehicle regulation	10,000
16	Commissioner of fish and wildlife resources	5,000
17	Secretary for health and family services	20,000
18	Commissioner of environmental protection	10,000
19	Commissioner of public protection and regulation	10,000
20	Secretary of <u>Tourism, Arts and Heritage</u> [commerce]	25,000
21	Commissioner for community based services	20,000
22	Member of the Public Service Commission	10,000
23	Member of State Fair Board	10,000
24	Member of Fish and Wildlife Resources Commission	1,000
25	Member of Kentucky Board of Tax Appeals	10,000
26	Associate member of Alcoholic Beverage Control Board	5,000
27	Commissioner of local government	100,000

1 ➔Section 9. KRS 65.6971 is amended to read as follows:

- 2 (1) A city, county, or agency shall submit an application to the Cabinet for Economic
 3 Development for approval of a development area for infrastructure development
 4 which includes revenues from the Commonwealth, the standards for which the
 5 Cabinet for Economic Development and the Tourism, Arts and
 6 Heritage~~[Commerce]~~ Cabinet shall establish through their operating procedures or
 7 by the promulgation of administrative regulations in accordance with KRS Chapter
 8 13A. The Cabinet for Economic Development shall determine whether the
 9 development area described in the application constitutes a project of the type
 10 described in this section. The Cabinet for Economic Development, upon its
 11 determination, shall assign the application to the economic development authority
 12 or the tourism development authority, as appropriate, for further consideration and
 13 approval.
- 14 (2) A development area for purposes of infrastructure development shall:
- 15 (a) 1. Consist of at least fifty (50) acres of undeveloped land, unless approved
 16 otherwise by the economic development authority or the tourism
 17 development authority in consideration of the geography of the area; or
 18 2. Consist of at least one (1) acre constituting a brownfield site; and
- 19 (b) 1. In the case of an economic development project, be under the control of,
 20 owned by, and operated by an agency at the commencement date; or
 21 2. In the case of a tourism attraction project, be under the control of, leased
 22 by, owned by, or operated by an agency at the commencement date.
- 23 (3) With respect to each city, county, or agency that applies to the economic
 24 development authority or the tourism development authority for approval of a
 25 development area for infrastructure development, the economic development
 26 authority or the tourism development authority shall request materials and make all
 27 inquiries concerning the application the economic development authority or the

1 tourism development authority deems necessary. Upon review of the application
 2 and requested materials, and completion of inquiries, the economic development
 3 authority or the tourism development authority may grant approval for:

- 4 (a) The development area for infrastructure development;
- 5 (b) Each project for which an application has been submitted to be located in the
 6 development area for infrastructure development, provided that each project
 7 approved for location in the development area for infrastructure development
 8 meets the criteria necessary in order to qualify for inducements under
 9 subchapters 22, 24, or 28 of KRS Chapter 154, or satisfies the requirements of
 10 a tourism development attraction defined under KRS 148.851;
- 11 (c) The percentage of the Commonwealth's portion of the increment that the
 12 Commonwealth agrees to distribute to the agency each year during the term of
 13 the grant contract;
- 14 (d) The maximum amount of costs for infrastructure development for which the
 15 increment may be distributed to the agency; and
- 16 (e) The master agreement constituting a grant contract and any addendum for
 17 each project approved for location in the development area for infrastructure
 18 development.

19 (4) Prior to any approval by the economic development authority or the tourism
 20 development authority, the economic development authority or the tourism
 21 development authority shall have received an ordinance adopted by the city or
 22 county creating the development area and establishing the percentage of increment
 23 that the city and county are distributing each year to the agency for use in the
 24 infrastructure development of the development area for which economic
 25 development authority or the tourism development authority approval is sought. The
 26 economic development authority or the tourism development authority shall not
 27 approve a percentage of the Commonwealth's portion of the increment to be

1 distributed to the agency each calendar year with respect to a development area for
2 infrastructure development greater than the percentage approved by the city or
3 county creating the development area.

4 (5) The maximum amount of increment available for development areas for
5 infrastructure development is one hundred percent (100%).

6 (6) The terms and conditions of each grant contract, including the master agreement
7 constituting a grant contract and any addenda, are subject to negotiations between
8 the economic development authority or the tourism development authority and the
9 other parties to the grant contract. The grant contract shall include but not be limited
10 to the following provisions: the activation date, the taxes to be included in the
11 calculation of the increment, the percentage increment to be contributed by each
12 taxing district, the maximum amount of infrastructure development costs, a
13 description of the development area, the termination date, subject to extension
14 through each addendum, and the requirement of the agency to annually certify to the
15 economic development authority or the tourism development authority as to the use
16 of the increment for payment of infrastructure development costs.

17 (7) (a) Any agency that enters into a grant contract for the release of any increments
18 that may arise during the period of a grant contract shall, after each calendar
19 year a grant contract is in effect, notify each taxing district obligated under the
20 grant contract that an increment is due, and, in consultation with each taxing
21 district, determine the respective portion of the total increment due from each
22 taxing district. The agency shall then present the total increment due from the
23 Commonwealth under the grant contract to the Department of Revenue for
24 certification.

25 1. Upon notice from the agency, each taxing district obligated under the
26 grant contract, other than the Commonwealth, shall release to the agency
27 the respective portion of the total increment due under the grant contract.

1 The agency shall certify to the Department of Revenue on a calendar
2 year basis the amount of the increment collected.

3 2. Upon certification of the total increment due from the Commonwealth
4 by the Department of Revenue, the department is authorized and
5 directed to transfer the increment to a tax increment financing account
6 established and administered by the Finance and Administration Cabinet
7 for payment of the Commonwealth's portion of the increment. Prior to
8 disbursement by the Finance and Administration Cabinet of the funds
9 from the tax increment financing account, the economic development
10 authority or the tourism development authority shall notify the Finance
11 and Administration Cabinet that the agency is in compliance with the
12 terms of the grant contract. Upon notification, the Finance and
13 Administration Cabinet is authorized and directed to release to the
14 agency the Commonwealth's portion of the total increment due under the
15 grant contract.

16 (b) The Department of Revenue shall report to the economic development
17 authority or the tourism development authority on a calendar year basis the
18 amount of the total increment released to an agency.

19 (8) The Department of Revenue shall have the authority to establish operating
20 procedures for the administration and determination of the Commonwealth's
21 increment.

22 (9) The Department of Revenue or agency shall have no obligation to refund or
23 otherwise return any of the increment to the taxpayer from whom the increment
24 arose or is attributable. Further, no additional increment resulting from audit,
25 amended returns or other activity for any period shall be transferred to the tax
26 increment financing account after the initial release to the agency of the
27 Commonwealth's increment for that period.

1 ➔Section 10. KRS 65.6972 is amended to read as follows:

- 2 (1) A city, county, or agency shall submit an application to the Cabinet for Economic
 3 Development for approval of a development area, which includes revenues from the
 4 Commonwealth, and the related project, the standards for which the Cabinet for
 5 Economic Development and the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet
 6 shall establish through their operating procedures or by the promulgation of
 7 administrative regulations in accordance with KRS Chapter 13A. The Cabinet for
 8 Economic Development shall determine whether the development area and related
 9 project described in the application constitutes a project of the type described in
 10 KRS Chapter 154 for which the economic development authority shall have the
 11 right to approve the development area and related project or KRS Chapter 148 for
 12 which the tourism development authority shall have the right to approve the
 13 development area and related project. The Cabinet for Economic Development,
 14 upon its determination, shall assign the application to the economic development
 15 authority or the tourism development authority, as appropriate, for further
 16 consideration and approval.
- 17 (2) A project otherwise satisfying the requirements of the project as defined in KRS
 18 65.680, in order to qualify the project and related development area, in addition
 19 shall satisfy all of the following requirements for a project:
- 20 (a) Represent new economic activity in the Commonwealth;
 - 21 (b) Result in a minimum capital investment of ten million dollars (\$10,000,000);
 - 22 (c) Result in the creation of a minimum of twenty-five (25) new full-time jobs for
 23 Kentucky residents to be held by persons subject to the personal income tax of
 24 the Commonwealth within two (2) years of the date of the final resolution
 25 authorizing the development area and the project;
 - 26 (d) Result in a net positive economic impact to the economy of the
 27 Commonwealth, taking into consideration any substantial adverse impact on

1 existing Commonwealth businesses;

2 (e) Generate a minimum of twenty-five percent (25%) of the total revenues
3 derived from the project attributable to sources outside of the Commonwealth
4 during each year a grant contract is in effect;

5 (f) Result in a unique contribution to or preservation of the economic vitality and
6 quality of life of a region of the Commonwealth; and

7 (g) Not be primarily devoted to the retail sale of goods.

8 (3) After assignment of the application for the project and related development area by
9 the Cabinet for Economic Development:

10 (a) The economic development authority or the tourism development authority, as
11 appropriate, shall engage the services of a qualified independent consultant to
12 analyze data related to the project and the development area, who shall
13 prepare a report for the economic development authority or the tourism
14 development authority, as appropriate, with the following findings:

15 1. The percentage of revenues derived from the development area which
16 are generated from business not located in the Commonwealth;

17 2. The estimated amount of increment the development area is expected to
18 generate over a twenty (20) year period from the projected activation
19 date;

20 3. The estimated amount of ad valorem taxes, other than the school or fire
21 district portion of ad valorem taxes, from real property, Kentucky
22 individual income tax, Kentucky sales and use taxes, local insurance
23 premium taxes, occupational license fees, or other such state taxes
24 which would be displaced within the Commonwealth, to reflect
25 economic activity which is being shifted over the twenty (20) year
26 period;

27 4. The estimated increment the development area is expected to generate

1 over the twenty (20) year period, equal to the estimated amount set forth
 2 in paragraph (a)2. of this subsection minus the estimated amount set
 3 forth in paragraph (a)3. of this subsection; and

4 5. The project or development area will not occur if not for the designation
 5 of the development area and granting of increments by the
 6 Commonwealth to the development area.

7 (b) The independent consultant shall consult with the economic development
 8 authority or the tourism development authority, as appropriate, the Office of
 9 State Budget Director and the Finance and Administration Cabinet in the
 10 development of the report. The Office of State Budget Director and the
 11 Finance and Administration Cabinet shall agree as to methodology to be used
 12 and assumptions to be made by the independent consultant in preparing its
 13 report. On the basis of the independent consultant's report and prior to any
 14 approval of a project by the economic development authority or the tourism
 15 development authority, as appropriate, the Office of State Budget Director and
 16 the Finance and Administration Cabinet shall certify whether there is a
 17 projected net positive economic impact to the Commonwealth and the
 18 expected amount of incremental state revenues from the project to the
 19 economic development authority or tourism development authority, as
 20 appropriate. Approval shall not be granted if it is determined that there is no
 21 projected net positive economic impact to the Commonwealth.

22 (c) The primary project entity shall pay all costs associated with the independent
 23 consultant's report.

24 (4) With respect to each city, county, or agency that applies for approval of a project
 25 and development area, the economic development authority or the tourism
 26 development authority, as appropriate, shall request materials and make all inquiries
 27 concerning the application the economic development authority or the tourism

1 development authority, as appropriate, deems necessary. Upon review of the
 2 application and requested materials, and completion of inquiries, the economic
 3 development authority or the tourism development authority, as appropriate, may by
 4 resolution grant approval for:

5 (a) The development area and project for which an application has been
 6 submitted;

7 (b) The percentage of the Commonwealth's portion of the increment that the
 8 Commonwealth agrees to have distributed to the agency each year during the
 9 term of the grant contract;

10 (c) The maximum amount of costs for the project for which the increment may be
 11 distributed to the agency; and

12 (d) The grant contract.

13 (5) Prior to any approval by the economic development authority or the tourism
 14 development authority, as appropriate, the economic development authority or the
 15 tourism development authority shall have received an ordinance adopted by the city
 16 or county creating the development area and approving the project and establishing
 17 the percentage of increment that the city and county are distributing each year to the
 18 agency to pay for the development area for which economic development authority
 19 or tourism development authority approval is sought. The economic development
 20 authority or the tourism development authority, as appropriate, shall not approve a
 21 percentage of the Commonwealth's portion of the increment to be distributed to the
 22 agency each year with respect to a development area and project greater than the
 23 percentage approved by the city or county creating the development area.

24 (6) The amount of increment available for a development area shall be no more than
 25 eighty percent (80%) per year, but shall in no case exceed twenty-five percent
 26 (25%) of the project costs during the term of the grant agreement.

27 (7) The terms and conditions of each grant contract are subject to negotiations between

the economic development authority or the tourism development authority, as appropriate, and the other parties to the grant contract. The grant contract shall include but not be limited to the following provisions: the activation date, the agreed taxes to be included in the calculation of the increment, the percentage increment to be contributed by the Commonwealth and other taxing districts, the maximum amount of project costs, a description of the development area and the project, the termination date, and the requirement that the agency annually certify to the economic development authority or tourism development authority, as appropriate, as to the use of the increment for payment of project costs in the development area.

(8) The agency responsible for the development area that enters into the grant contract shall, after each year the grant contract is in effect, certify to the economic development authority or the tourism development authority, as appropriate:

(a) The amount of the increment used during the previous calendar year for the project costs; and

(b) That more than twenty-five percent (25%) of the total revenues derived from the project during the previous calendar year were attributable to sources outside the Commonwealth.

(9) (a) Any agency that enters into a grant contract for the release of any increments that may arise during the period of a grant contract shall, after each calendar year a grant contract is in effect, notify each taxing district obligated under the grant contract that an increment is due. In consultation with each taxing district, the agency shall determine the respective portion of the total increment due from each taxing district, and the determination of the agency shall be reviewed by an independent certified public accountant. The agency shall submit to the Department of Revenue for certification its determination with respect to the total increment due together with the review of the certified

1 public accountant and detailed information concerning ad valorem taxes,
2 Kentucky individual income tax, Kentucky sales and use taxes, local
3 insurance premium taxes, occupational license fees, and other such state taxes
4 as may be determined by the Department of Revenue, including withholding
5 taxes of employees of each taxpayer located in the development area.

6 1. Upon notification to the agency of the total increment by the Department
7 of Revenue and notice from the agency, each taxing district obligated
8 under the grant contract, other than the Commonwealth, shall release to
9 the agency the respective portion of the total increment due under the
10 grant contract. The agency shall certify to the Department of Revenue on
11 a calendar year basis the amount of the increments collected.

12 2. Upon certification of the total increment due from the Commonwealth
13 by the Department of Revenue, the department is authorized and
14 directed to transfer the increment to a tax increment financing account
15 established and administered by the Finance and Administration Cabinet
16 for payment of the Commonwealth's portion of the increment. Prior to
17 disbursement by the Finance and Administration Cabinet of the funds
18 from the tax increment financing account, the economic development
19 authority or the tourism development authority, as appropriate, shall
20 notify the Finance and Administration Cabinet that the agency is in
21 compliance with the terms of the grant contract. Upon notification, the
22 Finance and Administration Cabinet is authorized and directed to release
23 to the agency the Commonwealth's portion of the total increment due
24 under the grant contract.

25 (b) The Department of Revenue shall report to the economic development
26 authority or the tourism development authority, as appropriate, on a calendar
27 year basis the amount of the total increment released to an agency.

1 (10) The Department of Revenue shall have the authority to establish operating
 2 procedures for the administration and determination of the Commonwealth's
 3 increment.

4 (11) The Department of Revenue or agency shall have no obligation to refund or
 5 otherwise return any of the increment to the taxpayer from whom the increment
 6 arose or is attributable. Further, no additional increment resulting from audit,
 7 amended returns or other activity for any period shall be transferred to the trust
 8 account established under subsection (9)(a)2. of this section and administered by the
 9 Finance and Administration Cabinet after the initial release to the agency of the
 10 Commonwealth's increment for that period.

11 ➔Section 11. KRS 65.7069 is amended to read as follows:

12 (1) The State Tax Increment Financing Commission is hereby created as an
 13 independent agency of the state within the meaning of KRS Chapter 12. The
 14 commission shall be composed of the following members:

15 (a) The secretary of the Finance and Administration Cabinet, who shall be the
 16 chair thereof;

17 (b) The state budget director;

18 (c) The secretary of the Cabinet for Economic Development;

19 (d) The secretary of the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet;

20 (e) The chair of the Kentucky Economic Development Finance Authority;

21 (f) The dean of the University of Kentucky Gatton College of Business and
 22 Economics; and

23 (g) The dean of the University of Louisville College of Business and Public
 24 Administration.

25 (2) The commission shall review all applications for state participation in tax increment
 26 financing projects and shall approve those proposals it determines meet the
 27 requirements established by KRS 65.7071, 65.7073, 65.7075, 65.7077, 65.7079,

1 and 65.7081.

2 (3) Members of the commission shall serve without compensation, but may receive
3 reimbursement for their actual and necessary expenses incurred in the performance
4 of their duties.

5 (4) Any four (4) members of the commission shall constitute a quorum and shall by
6 majority vote be authorized to transact any and all business of the commission.

7 (5) The commission shall meet at least two (2) times each year, but may meet more
8 frequently upon the call of the chair or a request made by any four (4) members of
9 the commission.

10 (6) The commission shall be attached to the Finance and Administration Cabinet for
11 administrative purposes and staff services. All cabinets, departments, divisions,
12 agencies, and officers of the Commonwealth shall furnish the commission with
13 necessary assistance, resources, information, records, or advice as it may require to
14 fulfill its duties.

15 (7) The commission shall prepare bylaws and shall establish procedures applicable to
16 the operations of the commission.

17 (8) The commission shall have the authority to promulgate any regulations necessary
18 for the administration of KRS 65.7069, 65.7071, 65.7073, 65.7075, 65.7077,
19 65.7079, and 65.7081 in accordance with KRS Chapter 13A.

20 (9) On or before February 15, 2008, and each year thereafter, the commission shall
21 provide the Governor and the Legislative Research Commission with an annual
22 report, which shall include but shall not be limited to the following for the prior
23 calendar year:

24 (a) A list of applications considered by the commission during the prior calendar
25 year, including the name of the applicant, a description of the project, the local
26 tax revenues or other revenues pledged, the level of participation requested
27 from the Commonwealth, and whether the application was approved; and

1 (b) For each approved application, the report shall include:

- 2 1. The total commitment made by the Commonwealth, detailed by type of
- 3 tax and estimated incremental revenues pledged for each tax;
- 4 2. The length of the commitment; and
- 5 3. The portion of the development area included in the project.

6 ➔ Section 12. KRS 139.536 is amended to read as follows:

7 (1) (a) In consideration of the execution of the agreement as defined in KRS 148.851
 8 and notwithstanding any provision of KRS 139.770 to the contrary, the
 9 approved company as defined in KRS 148.851 excluding its lessees, may be
 10 granted a sales tax refund from the Kentucky sales tax imposed by KRS
 11 139.200 on the sales generated by or arising at the tourism attraction project as
 12 defined in KRS 148.851.

13 (b) The approved company shall have no obligation to refund or otherwise return
 14 any amount of this sales tax refund to the persons from whom the sales tax
 15 was collected.

16 (c) For all tourism attraction projects except those identified in paragraph (d) of
 17 this subsection, the term of the agreement granting the sales tax refund shall
 18 be ten (10) years.

19 (d) The term of the agreement granting the sales tax refund shall be twenty (20)
 20 years for a tourism attraction project that includes a facility, including but not
 21 limited to a lodging facility or shrine that is:

- 22 1. a. Located on property owned by the Commonwealth, or leased by
- 23 the Commonwealth from the federal government; and
- 24 b. Acquired for use in the state park system pursuant to the
- 25 provisions of KRS 148.028, and operated by the Kentucky
- 26 Department of Parks pursuant to the provisions of KRS 148.021 or
- 27 the Kentucky Horse Park Commission pursuant to the provisions

1 of KRS 148.258 to 148.320; or

2 2. Located on property owned or leased by the federal government and
3 identified as a national park.

4 (e) This time period shall commence on the later of:

5 1. The final approval for purposes of the inducements; or

6 2. The completion date specified in the agreement.

7 (2) Any sales tax collected by an approved company as defined in KRS 148.851 on
8 sales transacted after final approval but prior to the commencement of the term of
9 the agreement, including any approved company that has received final approval
10 prior to July 15, 2000, shall be refundable as if collected after the commencement of
11 the term and applied to the approved company's first fiscal year's refund after
12 activation of the term and without changing the term.

13 (3) (a) The total sales tax refund allowed to the approved company over the term of
14 the agreement in subsection (1)(c) of this section shall be equal to the lesser of
15 the total amount of the sales tax liability of the approved company and its
16 lessees or twenty-five percent (25%) of the approved costs.

17 1. The sales tax refund shall accrue over the term of the agreement in an
18 annual amount equal to two and one-half percent (2.5%) of the approved
19 cost.

20 2. Notwithstanding the foregoing two and one-half percent (2.5%)
21 limitation, any unused inducements as set forth in KRS 148.851(9) from
22 a previous year may be carried forward to any succeeding year during
23 the term of the agreement until the entire twenty-five percent (25%) of
24 the approved costs have been received through sales tax refunds.

25 (b) The total sales tax refund allowed to the approved company over the term of
26 the agreement in subsection (1)(d) of this section shall be equal to the lesser of
27 the total amount of the sales tax liability of the approved company and its

1 lessees or fifty percent (50%) of the approved costs.

2 1. The sales tax refund shall accrue over the term of the agreement in an
3 annual amount equal to two and one-half percent (2.5%) of the approved
4 cost.

5 2. Notwithstanding the foregoing two and one-half percent (2.5%)
6 limitation, any unused inducements as set forth in KRS 148.851(9) from
7 a previous year may be carried forward to any succeeding year during
8 the term of the agreement until the entire fifty percent (50%) of the
9 approved costs have been received through sales tax refunds.

10 (4) Notwithstanding subsection (3) of this section, to the extent that the tourism
11 attraction defined in KRS 148.851 includes a lodging facility located on recreational
12 property owned or leased by the Commonwealth or federal government and the
13 facilities have received prior approval from the appropriate state or federal agency,
14 the total sales tax refund allowed to the approved company over the term of the
15 agreement shall be the lesser of the total amount of sales tax liability or fifty percent
16 (50%) of the approved costs. The sales tax refund shall accrue over the term of the
17 agreement in an annual amount equal to five percent (5%) of the approved cost.
18 Notwithstanding the foregoing five percent (5%) limitation, any unused
19 inducements as set forth in KRS 148.851(9) from a previous year may be carried
20 forward to any succeeding year during the term of the agreement until the entire
21 fifty percent (50%) of the approved costs have been received through the sales tax
22 refunds.

23 (5) By October 1 of each year the department shall certify to the authority and the
24 secretary of the Tourism, Arts and Heritage~~[Commeree]~~ Cabinet for the preceding
25 fiscal year for all approved companies for which sales tax returns were filed with
26 respect to a tourism attraction project, the sales tax liability of the approved
27 companies receiving inducements under this section and KRS 148.851 to 148.860,

1 and their lessees, and the amount of the sales tax refunds issued pursuant to
2 subsections (1) and (4) of this section.

3 (6) Interest shall not be allowed or paid on any refund made under the provisions of this
4 section.

5 (7) The department may promulgate administrative regulations and require the filing of
6 forms designed by the department to reflect the intent of this section and KRS
7 148.851 to 148.860.

8 ➔Section 13. KRS 139.537 is amended to read as follows:

9 (1) As used in this section, "coal-based near zero emission power plant" means a
10 facility designed to achieve minimum emissions, built in Kentucky for
11 demonstrating the feasibility of producing electricity and hydrogen from coal,
12 whose site has been determined acceptable from an environmental impact
13 perspective in a record of decision published by the United States Department of
14 Energy after January 1, 2006, and that has received all applicable local planning and
15 zoning approvals.

16 (2) Notwithstanding all other provisions of this chapter, effective July 1, 2006, the
17 taxes imposed by this chapter shall not apply to the sale, rental, storage, use, or
18 other consumption of tangible personal property used to construct, repair, renovate,
19 or upgrade a coal-based near zero emission power plant, including repair and
20 replacement parts purchased for the plant.

21 (3) The~~{Commeree}~~ Cabinet for Economic Development, with input from the
22 Environmental and Public Protection Cabinet, shall establish standards for
23 making applications for the exemptions provided in this section. Prior to the~~{~~
24 ~~Commeree}~~ Cabinet for Economic Development granting approval, the Office of
25 the Budget Director shall determine if the power plant results in a net positive
26 economic impact to the Commonwealth and shall provide a certification in writing
27 to the~~{Commeree}~~ Cabinet for Economic Development. The~~{Commeree}~~ Cabinet

1 *for Economic Development* shall notify the department in writing that a power
 2 plant has qualified for the exemptions.

3 (4) The~~[Commerce]~~ Cabinet *for Economic Development* may promulgate
 4 administrative regulations necessary to administer the application and certification
 5 process of this section.

6 (5) The department may promulgate administrative regulations necessary to administer
 7 the exemptions provided in this section.

8 (6) The provisions of this section shall not apply to sales or purchases made after
 9 December 31, 2030.

10 ➔Section 14. KRS 142.406 is amended to read as follows:

11 (1) There is hereby created and established in the State Treasury a trust and agency
 12 account to be known as the tourism, meeting, and convention marketing fund. The
 13 fund shall be administered by the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet,
 14 with the approval of the Governor's Office for Policy and Management.

15 (2) All tax receipts from the tax imposed under KRS 142.400 shall be deposited into
 16 the tourism, meeting, and convention marketing fund, and shall be appropriated for
 17 the purposes set forth in subsection (3) of this section. The fund shall also contain
 18 any other money contributed, allocated, or appropriated to it from any other source.
 19 Money in the fund shall be invested by the Finance and Administration Cabinet in
 20 instruments authorized under KRS 42.500. Investment proceeds shall be deposited
 21 to the credit of the fund. Money in the fund shall not lapse but shall be carried
 22 forward to the next fiscal year or biennium.

23 (3) The tourism, meeting, and convention marketing fund shall be used for the sole
 24 purpose of marketing and promoting tourism in the Commonwealth including
 25 expenditures to market and promote events and venues related to meetings,
 26 conventions, trade shows, cultural activities, historical sites, recreation,
 27 entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any

1 other economic activity that brings tourists and visitors to the Commonwealth.
 2 Marketing and promoting tourism shall not include expenditures on capital
 3 construction projects.

4 (4) By September 1 of each year, the secretary of the *Tourism, Arts and*
 5 *Heritage*~~[Commerce]~~ Cabinet shall report to the Governor and the Legislative
 6 Research Commission concerning the receipts, expenditures, and carryforwards of
 7 the fund for the preceding fiscal year.

8 ➔Section 15. KRS 146.654 is amended to read as follows:

9 (1) The board of directors of the Kentucky Natural History Museum shall establish the
 10 Kentucky Natural History Museum. The board shall implement KRS 146.650 to
 11 146.666 to the extent practical prior to operation of the museum. Working to
 12 achieve the public purposes that are the goals of implementation of KRS 146.650 to
 13 146.666 shall not be dependent on the existence and operation of the museum in a
 14 physical place.

15 (2) The board shall be administratively linked to the *Tourism, Arts and*
 16 *Heritage*~~[Commerce]~~ Cabinet.

17 (3) To accomplish the purposes of KRS 146.650 to 146.666, the board is authorized to:

18 (a) Acquire and hold property by deed, gift, devise, bequest, lease, exchange,
 19 purchase, or transfer;

20 (b) Plan for, develop, construct, and maintain buildings;

21 (c) Enter into agreements with state, federal, or local agencies;

22 (d) Employ and contract with individuals, corporations, or other business entities
 23 to accomplish the purposes of KRS 146.650 to 146.666;

24 (e) Accept and administer appropriations, gifts, grants, devises, and bequests of
 25 money, securities, or other items of value; and

26 (f) Carry out any other functions necessary to accomplish the purposes of KRS
 27 146.650 to 146.666.

- 1 (4) To accomplish the purposes of KRS 146.650 to 146.666, the board may provide and
2 administer grants to public and private entities.

3 ➔Section 16. KRS 148.022 is amended to read as follows:

- 4 (1) The Governor's Office for Local Development shall administer and operate the
5 outdoor recreation programs of the state and shall be responsible for developmental
6 planning and the administration of United States Bureau of Outdoor Recreation
7 funds.

- 8 (2) All functions of the Commonwealth relating to the Breaks Interstate Park shall be
9 attached to the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet for administrative
10 purposes.

11 ➔Section 17. KRS 148.260 is amended to read as follows:

- 12 (1) There is hereby created and established an agency of state government to be known
13 as the Kentucky Horse Park Commission which shall constitute a separate
14 administrative body of state government within the meaning of KRS 12.010(8) and
15 under the provisions of KRS 12.015 shall be attached to the *Tourism, Arts and*
16 *Heritage*~~[Commerce]~~ Cabinet for administrative purposes.

- 17 (2) The commission shall be composed of seventeen (17) members who possess the
18 ability to provide broad management expertise and direction in the operation of the
19 Kentucky Horse Park and shall, to the extent possible, represent the diverse interest
20 of the Kentucky horse industry. Of these, fifteen (15) members shall be appointed
21 by the Governor. Two (2) of these appointed members of the commission shall
22 represent the equine industry; and two (2) members shall be active in industry and
23 commerce. The secretary of the Cabinet for Economic Development and the
24 secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall serve as ex
25 officio members with full voting rights. Any vacancy on the commission shall be
26 filled by the Governor for the unexpired term.

- 27 (3) The appointed members of the commission shall hold their offices for a term of four

1 (4) years, except that for the initial appointment to the commission, two (2)
 2 members shall serve a term of two (2) years, two (2) members shall serve a term of
 3 three (3) years, and three (3) members shall serve a term of four (4) years.

4 (4) The commission shall meet quarterly and shall be headed by a chairman appointed
 5 by the Governor. The chairman shall preside over the commission meetings. The
 6 chairman may call special meetings of the commission upon a request of the
 7 majority of the members of the commission.

8 (5) Members shall be reimbursed only for expenses incurred in the discharge of official
 9 business, subject to regulations established by the Finance and Administration
 10 Cabinet. All expenses reimbursed to members shall be paid from operating funds of
 11 the Kentucky Horse Park.

12 (6) The commission shall establish and maintain an office at the Kentucky State Horse
 13 Park for the transaction of its business and shall not establish any branch office. The
 14 commission may hold meetings at any other place when the convenience of the
 15 commission requires.

16 (7) The commission shall be authorized to adopt bylaws providing for the call of its
 17 meetings, which shall be held at least quarterly, and for its operating procedures. A
 18 quorum of the commission shall consist of eight (8) members, and a quorum of
 19 members present at any duly-called meeting may act upon any matter before it for
 20 consideration. Each member shall have one (1) vote.

21 (8) The Governor may establish an advisory committee to advise in the administration,
 22 development and operation of the horse park or other functions, activities, and
 23 programs provided for or authorized by KRS 148.260 to 148.320.

24 ➔Section 18. KRS 148.522 is amended to read as follows:

25 (1) The *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall consist of the Office of
 26 the Secretary, the Office of Legal Affairs, the Office of Finance~~—and~~
 27 ~~Administration~~, the Office of *Governmental Relations and Tourism*

1 **Development**~~[Intergovernmental Affairs]~~, the Office of Human Resources, the
 2 Office of Public Affairs and Constituent Services,~~[the Office of Information~~
 3 ~~Technology, the Office of Energy Policy,]~~ the Office of the Kentucky Sports
 4 Authority, the Office of Arts and Cultural Heritage, the Office of Creative Services,
 5 the Office of Capital Plaza Operations, **the Office of Research and Administration**,
 6 the **Kentucky** Department of **Travel**~~[Tourism]~~, the Kentucky Department of Parks,
 7 the Tourism Development Finance Authority, and such other divisions and sections
 8 as are from time to time deemed necessary for the proper and efficient operation of
 9 the cabinet subject to the provisions of KRS Chapter 12.

10 (2) The **Tourism, Arts and Heritage**~~[Commerce]~~ Cabinet shall encourage the
 11 development of the film industry in Kentucky and shall perform all film
 12 promotional functions.

13 (3) The Office of Legal Affairs shall be headed by a general counsel appointed by the
 14 secretary pursuant to KRS 12.210, shall provide legal services for the cabinet, and
 15 shall be directly responsible to the secretary.

16 (4) The **Kentucky** Department of **Travel**~~[Tourism]~~ shall be headed by a commissioner
 17 appointed by the Governor pursuant to the provisions of KRS 12.040. The
 18 commissioner shall have the authority and responsibility for the promotion,
 19 development, and support services for the tourism industry within the
 20 Commonwealth.

21 (5) The Divisions of Tourism Services, Marketing and **Administration**~~[Advertising]~~,
 22 and **Communications and Promotions**~~[Parks Marketing]~~ are created within the
 23 **Kentucky** Department of **Travel**~~[Tourism]~~. Each division shall be headed by a
 24 division director who shall be appointed by the commissioner of the department
 25 pursuant to the provisions of KRS 12.050.

26 ➔Section 19. KRS 148.527 is amended to read as follows:

27 (1) The **Kentucky** Department of **Travel**~~[Tourism]~~ of the **Tourism, Arts and**

1 ~~Heritage~~[Commerce] Cabinet shall, after appropriate research has been conducted,
 2 establish and maintain a Kentucky Certified Retirement Community Program
 3 whereby retirees and those planning to retire are encouraged to make their homes in
 4 Kentucky communities that have met certain criteria to be certified by the ~~Tourism,~~
 5 ~~Arts and Heritage~~[Commerce] Cabinet as a Kentucky certified retirement
 6 community. In support of this program, the ~~Kentucky~~ Department of
 7 ~~Travel~~[Tourism] shall identify certain issues of interest to retirees or potential
 8 retirees in order to inform them of the benefits of living in Kentucky. Issues of
 9 interest to retirees may include but are not limited to:

- 10 (a) Kentucky's state and local tax structure;
- 11 (b) Housing opportunities and cost;
- 12 (c) Climate;
- 13 (d) Personal safety;
- 14 (e) Working opportunities;
- 15 (f) Health care services and other services along the continuum of services,
 16 including but not limited to home and community based services;
- 17 (g) Transportation;
- 18 (h) Continuing education;
- 19 (i) Leisure living;
- 20 (j) Recreation;
- 21 (k) The performing arts;
- 22 (l) Festivals and events;
- 23 (m) Sports at all levels; and
- 24 (n) Other services and facilities that are necessary to enable persons to age in the
 25 community and in the least restrictive environment.
- 26 (2) The mission of the Kentucky Certified Retirement Community Program shall be to:
- 27 (a) Promote the state as a retirement destination to retirees and those persons and

- 1 families who are planning retirement both in and outside of Kentucky;
- 2 (b) Assist Kentucky communities in their efforts to market themselves as
- 3 retirement locations and to develop communities that retirees would find
- 4 attractive for a retirement lifestyle;
- 5 (c) Assist in the development of retirement communities and lifecare
- 6 communities for economic development purposes and as a means of providing
- 7 a potential workforce and enriching Kentucky communities; and
- 8 (d) Encourage tourism to Kentucky in the form of mature market travel to
- 9 Kentucky in reference to retirement desirability for the future, and for the
- 10 visitation of those who have chosen to retire in Kentucky.
- 11 (3) The Tourism, Arts and Heritage~~[Commerce]~~ Cabinet shall coordinate the
- 12 development and planning of the Kentucky Certified Retirement Community
- 13 Program with the Cabinet for Economic Development, the Department for Aging
- 14 and Independent Living in the Cabinet for Health and Family Services, the
- 15 Kentucky Commission on Military Affairs, the Department of Veterans' Affairs, and
- 16 other state and local groups interested in participating in and promoting the
- 17 program.
- 18 (4) To obtain certification as a Kentucky certified retirement community, the following
- 19 requirements shall be met:
- 20 (a) Official community support. A resolution by the governing authority
- 21 endorsing the local retirement recruitment effort is required;
- 22 (b) Designation of a sponsor. The program shall have an official sponsoring
- 23 organization that shall appoint an individual who will be accountable to the
- 24 community and to the state;
- 25 (c) Funding. The sponsoring organization must commit a minimum of ten
- 26 thousand dollars (\$10,000) per year for the local program;
- 27 (d) Health services. There shall be a hospital and emergency medical services that

1 are readily accessible to the community;

2 (e) Available housing. The community shall maintain information on both resale
3 housing and rental housing to ensure that the quantity is sufficient to meet the
4 needs of potential new retiree residents;

5 (f) Retiree desirability assessment. The community shall conduct a retiree
6 desirability assessment that shall focus on a number of factors including, but
7 not limited to, medical services, adult education opportunities, shopping,
8 recreation, cultural opportunities, safety, aging services, and a continuum of
9 care including home and community based services, housing for the elderly,
10 assisted living, personal care, and nursing care facilities;

11 (g) Establishment of subcommittees. Each locality shall have a general retiree
12 attraction committee and a minimum of four (4) subcommittees as follows:

13 1. Community inventory/assessment subcommittee. This subcommittee
14 shall conduct an unbiased inventory and assessment of whether the
15 community can offer the basics that retirees demand and develop a
16 professional portfolio containing brief biographies of professionals in
17 the community;

18 2. Community relations/fundraising subcommittee. This subcommittee
19 shall locate retirees living in the community, act as salespersons for the
20 program, raise funds necessary to run the program, recruit subcommittee
21 members, organize special events, and promote and coordinate the
22 program with local entities;

23 3. Marketing and promotion subcommittee. This subcommittee shall
24 establish a community image, evaluate target markets, develop and
25 distribute promotional material, and coordinate advertising and public
26 relations campaigns; and

27 4. Ambassadors subcommittee. This subcommittee shall be the first

- 1 contact with prospective retirees and provide tour guides when prospects
 2 visit the community. The subcommittee shall respond to inquiries, log
 3 contacts made, provide tours, invite prospects to special community
 4 events, and maintain continual contact with prospects until the time that
 5 the prospect makes a retirement location decision;
- 6 (h) Community profile. The sponsor shall develop a community profile similar to
 7 that used by many chambers of commerce. It will include factors such as
 8 crime statistics, tax information, recreational opportunities, and housing
 9 availability; and
- 10 (i) Written marketing plan. The retiree attraction committee shall submit a
 11 marketing plan that shall detail the mission, the target market, the
 12 competition, an analysis of the community's strengths, weaknesses,
 13 opportunities and threats, and the strategies the program will employ to attain
 14 its goals.
- 15 (5) During the certification process, a representative of the retirement attraction
 16 committee shall attend state training meetings.
- 17 (6) The retiree attraction committee shall work to gain the support of churches, clubs,
 18 businesses, and the local media, as this support is necessary for the success of the
 19 program.
- 20 (7) Within ninety (90) days of certification, the locality shall submit a complete retiree
 21 attraction package to the Kentucky Department of Travel~~[Tourism]~~.
- 22 (8) Before certification is awarded, the retiree attraction committee shall submit a
 23 written three (3) year commitment to the program and a long-term plan outlining
 24 steps the community will undertake to maintain its desirability as a destination for
 25 retirees. The long-range plan shall outline plans to correct any facility and service
 26 deficiencies identified in the retiree desirability assessment required by subsection
 27 (4)(f) of this section. The written commitment and long-range plan shall be

1 forwarded to the Kentucky Department of Travel~~[Tourism]~~ of the~~[Commerce]~~
2 Cabinet.

- 3 (9) Upon being certified as a Kentucky certified retirement community, the Tourism,
4 Arts and Heritage~~[Commerce]~~ Cabinet shall provide the following assistance to the
5 community:
- 6 (a) Assistance in the training of local staff and volunteers;
 - 7 (b) Ongoing oversight and guidance in marketing, plus updating on national
8 retirement trends;
 - 9 (c) Inclusion in the state's national advertising and public relations campaigns and
10 travel show promotions, including a prominent feature on the cabinet's
11 Internet Web site;
 - 12 (d) Eligibility for state financial assistance for brochures, support material, and
13 advertising; and
 - 14 (e) An annual evaluation and progress assessment on maintaining and improving
15 the community's desirability as a home for retirees.

16 (10) The Tourism, Arts and Heritage~~[Commerce]~~ Cabinet shall promulgate
17 administrative regulations to implement the provisions of this section.

18 ➔Section 20. KRS 148.561 is amended to read as follows:

19 The Appalachian/Kentucky Artisans Gateway Center Authority is created and established
20 as an independent, de jure municipal corporation and political subdivision of the
21 Commonwealth that shall be a public body corporate and politic. The authority shall
22 develop, operate, and manage the Appalachian/Kentucky Artisans Gateway Center
23 funded by 1998 Ky. Acts ch. 615, Part X, under the reference "Artisans Center--Berea."
24 The authority shall be attached to the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet
25 for administrative purposes.

26 ➔Section 21. KRS 148.562 is amended to read as follows:

27 (1) The authority shall be governed by a board of directors consisting of thirteen (13)

1 members as follows:

- 2 (a) Secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet, or his or
3 her designee;
- 4 (b) Secretary of the Transportation Cabinet, or his or her designee;
- 5 (c) Secretary of the Education Cabinet, or his or her designee;
- 6 (d) Secretary of the Finance and Administration Cabinet, or his or her designee;
- 7 (e) Three (3) members appointed by the Governor, one (1) to be a representative
8 of the Kentucky Arts Council, and two (2) to be at-large members; and
- 9 (f) Six (6) members appointed by the mayor of the city of Berea to include two
10 (2) representatives of Berea city government, two (2) representatives of Berea
11 College recommended by the president of Berea College, one (1)
12 representative of Eastern Kentucky University recommended by the president
13 of Eastern Kentucky University, and one (1) at-large member.
- 14 (2) Members shall serve for staggered terms of four (4) years beginning August 1,
15 2000, except that of the initial appointments:
 - 16 (a) One (1) appointment by the Governor and two (2) appointments by the mayor
17 of the city of Berea shall each serve a term of four (4) years;
 - 18 (b) Two (2) appointments by the mayor of the city of Berea and one (1)
19 appointment by the Governor shall each serve a term of three (3) years;
 - 20 (c) One (1) appointment by the Governor and one (1) appointment by the mayor
21 of the city of Berea shall each serve a term of two (2) years; and
 - 22 (d) One (1) appointment by the mayor of the city of Berea shall serve a term of
23 one (1) year.
- 24 (3) The Governor shall appoint a chair from among the members of the board.
- 25 (4) A quorum of the board shall consist of seven (7) members, with a majority of
26 members present authorized to act upon any matter legally before the authority.
- 27 (5) A member may be removed by the appointing authority only for neglect of duty,

misfeasance, or malfeasance, and after being afforded an opportunity for a hearing in accordance with KRS Chapter 13B, relating to administrative hearings.

➔Section 22. KRS 148.563 is amended to read as follows:

(1) An executive director shall be appointed in accordance with KRS 12.050.

(a) The executive director shall at all times attempt to accommodate the desires expressed by the board of directors.

(b) The executive director shall keep all minutes, records, and orders of the authority and shall be responsible for the preservation of all the documents.

The documents shall be public records subject to KRS 61.870 to 61.884, relating to open records.

(2) The staff of the authority, including its executive director, shall be employees of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet.

➔Section 23. KRS 148.566 is amended to read as follows:

The authority shall have the following duties and authorities:

(1) The authority shall supervise the design, construction, and operation of the center and shall provide all management functions for the facility and for any other property acquired or leased under its powers established by law.

(2) The authority shall promote the growth and development of statewide tourism related to arts and crafts destinations throughout the state and shall ensure that its efforts conform to marketing and promotion strategies devised by the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet.

(3) The authority shall have the exclusive control of scheduling all exhibitions, performances, retail activities, and concessions in the center. The authority shall have a prior lien upon the property of any private exhibitor, concessionaire, or other person holding an exhibition or performance or operating a concession in the center and may sell the property upon ten (10) days' notice to satisfy any indebtedness.

(4) The authority shall participate with local hotels and the travel industry to develop

1 tourist packages and additional services to attract events, conferences, and
 2 conventions to the region.

3 (5) The authority may take, acquire, and hold property, and all interests therein, by
 4 deed, purchase, gift, devise, bequest, or lease, or by transfer from the State Property
 5 and Buildings Commission and may dispose of any property so acquired in any
 6 manner provided by law.

7 (6) The authority may adopt administrative regulations in accordance with KRS
 8 Chapter 13A only for governing the operation, maintenance, or use of property
 9 under its custody and control.

10 (7) The authority may levy a surcharge on tickets for functions held within the center to
 11 contribute to operating revenue.

12 (8) The authority may sue and be sued and maintain and defend legal actions in its
 13 name.

14 (9) Members of the authority shall serve without compensation, but shall be reimbursed
 15 for actual and necessary travel expenses incurred in the performance of their duties.
 16 The reimbursement shall be in accordance with administrative regulations
 17 promulgated under KRS Chapter 13A by the Finance and Administration Cabinet.

18 ➔Section 24. KRS 148.590 is amended to read as follows:

19 (1) There is created the Kentucky Sports Authority, which shall be attached to the
 20 Tourism, Arts and Heritage~~[Commerce]~~ Cabinet, Office of the Secretary, for
 21 administrative purposes.

22 (2) The authority shall consist of fifteen (15) members, including the Lieutenant
 23 Governor, the secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet, the
 24 secretary of the Environmental and Public Protection Cabinet, and twelve (12)
 25 members appointed by the Governor. The members appointed by the Governor shall
 26 include representatives of the Kentucky Racing Authority, the fish and wildlife
 27 community, and the Kentucky Boxing and Wrestling Authority.

- 1 (3) The Lieutenant Governor shall serve as chairperson of the authority. Members shall
 2 elect other officers as they deem necessary. Of the members initially appointed by
 3 the Governor, one-third (1/3) shall serve a term of four (4) years, one-third (1/3)
 4 shall serve a term of three (3) years, and one-third (1/3) shall serve a term of two (2)
 5 years. All succeeding terms shall be for four (4) years.
- 6 (4) The secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall appoint
 7 an executive director, with the prior written approval of the Governor, to head the
 8 authority. The cabinet shall provide additional administrative support to the
 9 authority from the cabinet's existing staff as necessary.
- 10 (5) The authority shall meet monthly and at other times as necessary, upon the call of
 11 the chairperson. Members shall be reimbursed for expenses incurred in performing
 12 the authority's duties, functions, and responsibilities.
- 13 (6) The authority's primary responsibility shall be to recruit, promote, assist, place, and
 14 develop sporting events, facilities, attractions, and programs in the Commonwealth,
 15 with the ultimate goal of developing commerce, the economy, job opportunities,
 16 and revenue streams. The authority's duties shall include but not be limited to the
 17 following:
- 18 (a) Lead efforts to attract national and regional sporting events to Kentucky by
 19 working with the National Collegiate Athletic Association, the National
 20 Association of Intercollegiate Athletics, the Professional Golf Association, the
 21 National Football League, the National Basketball Association, the
 22 Professional Bowlers Association, the Professional Tennis Tour, the National
 23 Association for Stock Car Auto Racing, the United States Olympic
 24 Committee, Bassmasters, and other nationally recognized organizations;
- 25 (b) Work toward establishing professional franchises in Kentucky, and develop an
 26 overall strategic plan to recruit and retain all forms of professional and
 27 amateur sporting events, including boxing, motor vehicle racing, baseball,

1 football, soccer, hockey, tennis, gymnastics, volleyball, and figure skating;

2 (c) Identify and propose improvements for sporting activity infrastructure,
3 including opportunities for private and public partnership on infrastructure
4 development; present for the Governor's approval any financial plan that
5 would require state tax dollars to build new athletic facilities; and upon the
6 Governor's approval of a proposed financial plan, present it to the General
7 Assembly;

8 (d) Foster relationships between sporting event organizers and event sponsors,
9 and between and among state agencies, and provide advice and direction for
10 increasing the number and quality of sporting events;

11 (e) Evaluate various sports and sports-related activities and entities, such as auto
12 racing, summer instructional camps for cheerleading, and sports agents, and
13 make written recommendations to the Governor and the General Assembly as
14 to whether additional regulation, licensing, or taxing are necessary;

15 (f) Attempt to involve renowned Kentucky athletes in the war against drugs and
16 the promotion of the Governor's Wellness Initiative;

17 (g) Work with Kentucky Educational Television and other media outlets to
18 establish and develop a twenty-four (24) hour television channel devoted to
19 promoting and highlighting healthy lifestyles, sports, and applicable
20 government programs, such as the state park system and the Department of
21 Fish and Wildlife Resources;

22 (h) Develop and recommend to the Governor, as necessary, legislation and
23 administrative regulations to further the purposes of the authority, provide
24 additional professional and amateur participation by Kentucky's citizens,
25 provide adequate safety measures and ethical operations for sporting events,
26 recruit and maintain professional and amateur sporting events, and address the
27 fiscal and tax implications of the issues and activities of this section; and

- 1 (i) Assume all duties, functions, responsibilities, records, equipment, and staff of
 2 the Governor's Commission on Sports, Physical Activity, and Wellness
 3 established under KRS 11.190, and establish a council titled the Council on
 4 Sports, Physical Activity, and Wellness to implement these transferred
 5 statutory responsibilities.

6 ➔Section 25. KRS 148.795 is amended to read as follows:

7 (1) As used in this section:

- 8 (a) "Agreement" means a recreational land use agreement where at least one (1)
 9 party is a governmental entity as defined in this section;
- 10 (b) "Government" or "governmental entities" means any government entity of the
 11 Commonwealth, including state government agency, city, county, urban-
 12 county government, consolidated local government, unified local government,
 13 or charter county;
- 14 (c) "Land" means land, roads, water, watercourses, private ways and buildings,
 15 structures, and machinery when attached to the realty;
- 16 (d) "Owner" means a private individual, corporation, or government who
 17 possesses a fee interest in the land; and
- 18 (e) "Recreational purpose" includes but is not limited to any of the following, or
 19 any combination thereof: hunting, fishing, rock climbing, swimming, boating,
 20 camping, picnicking, hiking, bicycling, horseback riding, pleasure driving,
 21 nature study, waterskiing, winter sports, all-terrain vehicle riding, and viewing
 22 or enjoying historical, archaeological, scenic, or scientific sites.

- 23 (2) The Kentucky Recreational Trails Authority is hereby established and attached to
 24 the Office of the Secretary, *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet, for
 25 the purpose of planning and implementing programs to expand tourism
 26 opportunities for off-road activities that are pertinent to nonmotorized and
 27 motorized vehicle use, including but not limited to pedestrians, bicycles, mountain

1 bicycles, horses, all-terrain vehicles (ATVs), and off-highway vehicles (OHVs), on
2 designated lands in Kentucky. Membership of the authority shall consist of the
3 following:

4 (a) A chairman, selected from its members, to be designated by the Governor;

5 (b) Membership shall include the following members:

- 6 1. Two (2) representatives of the Kentucky Motorcycle Association, to be
7 appointed by the Governor from a list of five (5) nominees selected by
8 the association. The initial term of one (1) member shall expire one (1)
9 year after the date of appointment. The initial term of the other member
10 shall expire two (2) years after the date of appointment;
- 11 2. One (1) member of the League of Kentucky Sportsmen, appointed by the
12 Governor. The initial term of this member shall expire one (1) year after
13 the date of appointment;
- 14 3. One (1) member of the Kentucky Council of Area Development
15 Districts, appointed by the Governor. The initial term of this member
16 shall expire four (4) years after the date of appointment;
- 17 4. Two (2) members selected from ATV associations, with consideration
18 given to geographic diversity. The initial term of one (1) of these
19 members shall expire two (2) years after the date of appointment, and
20 the initial term of the other member shall expire three (3) years after the
21 date of appointment;
- 22 5. Two (2) members representing Kentucky Farm Bureau, with
23 consideration to the eastern and western parts of the state. The initial
24 term of one (1) member shall expire two (2) years after the date of
25 appointment, and the initial term of the other member shall expire four
26 (4) years after the date of appointment; and
- 27 6. Two (2) members representing the coal industry, with consideration to

1 the eastern and western parts of the state. The initial term of one (1)
2 member shall expire two (2) years after the date of appointment, and the
3 initial term of the other member shall expire four (4) years after the date
4 of appointment;

5 (c) Seven (7) additional members who shall be appointed by the Governor from
6 the following groups:

- 7 1. One (1) member shall be chosen from a Kentucky bicycling organization
8 that is affiliated with either the League of American Bicyclists, the
9 United States Cycling Federation, or the International Mountain
10 Bicycling Association. The initial term of this member shall expire three
11 (3) years after the date of appointment;
- 12 2. One (1) member shall be from a Kentucky equine organization that has
13 trail riding as its primary focus. The initial term of this member shall
14 expire one (1) year after the date of appointment;
- 15 3. One (1) member shall be chosen from a state or national hiking or
16 backpacking organization. The initial term of this member shall expire
17 two (2) years after the date of appointment;
- 18 4. Two (2) members shall be chosen from five (5) persons nominated in
19 writing by the Kentucky Horse Council. The initial term of one (1) of
20 these members shall expire four (4) years after the date of appointment,
21 and the initial term of the other member shall expire two (2) years after
22 the date of the appointment;
- 23 5. One (1) member shall be chosen by the Governor from the public at
24 large. The initial term of this member shall expire three (3) years after
25 the date of appointment; and
- 26 6. One (1) member shall be selected from among the county
27 judges/executive of the Commonwealth. The initial term of this member

1 shall expire two (2) years after the date of appointment;

2 (d) Additionally, the following shall serve as members by virtue of their official
3 positions:

- 4 1. The secretary of the Transportation Cabinet, or the secretary's designee;
- 5 2. The secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet,
6 or the secretary's designee;
- 7 3. The commissioner of the Department of Fish and Wildlife Resources, or
8 the commissioner's designee;
- 9 4. The secretary of the Justice and Public Safety Cabinet, or the secretary's
10 designee;
- 11 5. The secretary of the Environmental and Public Protection Cabinet, or the
12 secretary's designee; and
- 13 6. The Commissioner of the Department of Agriculture, or the
14 Commissioner's designee; and

15 (e) Upon the expiration of the terms of the initial members described in
16 paragraphs (b) and (c) of this subsection, the Governor shall appoint thirteen
17 (13) members of the public in such a manner as to ensure equal representation
18 of motorized and nonmotorized use of trails and in accordance with the
19 requirements of paragraphs (b) and (c) of this subsection. Any vacancy on the
20 authority shall be filled by the Governor for the unexpired term.

21 (3) (a) Each appointed member shall serve for a term of four (4) years. Sitting
22 members shall be eligible to succeed themselves.

23 (b) Any member may be removed from his or her appointment by the Governor
24 for cause.

25 (c) Appointed members shall be reimbursed for travel costs incurred in attending
26 meetings, which shall be paid from the funds of the Kentucky Department of
27 Travel~~[Tourism]~~ and in compliance with the Tourism, Arts and

1 *Heritage*~~[Commerce]~~ Cabinet's procedures for travel and reimbursement.

2 (4) (a) The chairman shall set the agenda, place, and time of meetings, which shall be
3 held a minimum of two (2) times per year and conducted in accordance with
4 the Open Meetings Act, KRS 61.805 to 61.850.

5 (b) A quorum for all meetings shall consist of seven (7) of the members.

6 (c) The chairman shall be a nonvoting member, except in cases of a tie vote, in
7 which case, the chairman may cast the deciding vote.

8 (5) (a) An agreement as defined in subsection (1) of this section may be entered into
9 by any owner or owners and any governmental entities as defined in
10 subsection (1)(b) of this section.

11 (b) The agreement shall be a contractual arrangement that authorizes the public to
12 utilize the owner's land for a recreational purpose. The allowable recreational
13 purpose or purposes may include but are not limited to all-terrain vehicle
14 riding, public hunting, nature conservation, biking, rock climbing, hiking, and
15 horseback trail riding and may be limited in scope by the terms of the
16 agreement.

17 (c) The agreement may specify that the governmental entity or entities may be
18 responsible for the maintenance and upkeep of the land.

19 (d) The provisions of KRS 411.190 shall apply to public use of lands for
20 recreational purposes authorized under an agreement entered into pursuant to
21 this section.

22 (e) Unless otherwise agreed by the parties, the agreement may be terminated by
23 either party at any time for any reason if thirty (30) days' notice is given.

24 (6) An agreement executed pursuant to this section, or the use of land under an
25 agreement created pursuant to this section, shall not:

26 (a) Create in any user any interest in the property;

27 (b) Ripen into a claim of adverse possession;

- 1 (c) Alter the land or status of the land to make it unsuitable for mining pursuant to
2 KRS 350.610; or
- 3 (d) Cause a denial of a mining permit pursuant to KRS 350.085 or other statutes
4 or regulations of the Commonwealth of Kentucky or any political subdivision
5 thereof.
- 6 (7) In accordance with the purpose and limitations specified in this section, the
7 governmental entities may:
- 8 (a) Construct, develop, manage, maintain, operate, improve, renovate, finance, or
9 otherwise provide for recreational activities and facilities on designated public
10 lands and private lands where owners have voluntarily entered into use
11 agreements with the authority or government; and
- 12 (b) Charge for a general use permit to access the lands for off-road activities as
13 described in subsection (5) of this section that shall be valid for not less than
14 thirty (30) days.
- 15 (8) The Kentucky Recreational Trails Authority may accept, acquire, dispose of, or
16 hold real or personal property, and any interest therein, by deed, grant, loan, gift,
17 devise, bequest, lease, license, easement, or transfer from any state or federal
18 government agency, or from any person, corporation, or other entity, for the purpose
19 of public use.
- 20 (9) All proceeds derived from the sale of a general use permit pursuant to subsection
21 (7)(b) of this section, or any proceeds derived from property identified in subsection
22 (8) of this section, shall be paid to the State Treasurer, who shall deposit the
23 proceeds in a revolving fund to carry out the purposes of this chapter. The fund
24 shall be administered by the Tourism, Arts and Heritage~~Commerce~~ Cabinet.
25 Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of the
26 fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year
27 to be used for the purposes set forth in this section.

1 (10) The Tourism, Arts and Heritage~~[Commerce]~~ Cabinet may promulgate
 2 administrative regulations in accordance with the provisions of KRS Chapter 13A
 3 in order to carry out the provisions of this section.

4 ➔Section 26. KRS 148.850 is amended to read as follows:

5 (1) The Tourism Development Finance Authority is created within the Tourism, Arts
 6 and Heritage~~[Commerce]~~ Cabinet. The authority shall consist of seven (7)
 7 members appointed by the Governor. The members of the authority shall serve
 8 without compensation but shall be entitled to reimbursement for their necessary
 9 expenses incurred in performing their duties. Of the members initially appointed to
 10 the authority, two (2) members shall be appointed for terms of one (1) year, three
 11 (3) members shall be appointed for terms of two (2) years, and two (2) members
 12 shall be appointed for terms of three (3) years. Thereafter, the members of the
 13 authority shall be appointed for terms of four (4) years.

14 (2) The Governor shall appoint one (1) member as chairperson of the Tourism
 15 Development Finance Authority. The members of the authority may elect other
 16 officers as they deem necessary.

17 (3) No member of the Tourism Development Finance Authority shall either directly or
 18 indirectly be a party to, or be in any manner interested in, any contract or agreement
 19 with the authority for any matter, cause, or thing that creates any liability or
 20 indebtedness against the authority.

21 (4) The Tourism Development Finance Authority shall have the powers necessary to
 22 carry out the purposes of this section, KRS 139.536, KRS 148.851 to 148.860, and
 23 the Tourism Development Loan Program created by 2000 Ky. Acts ch. 549, Part IX,
 24 Section 47, including, but not limited to, the power to:

- 25 (a) Make and condition all loans from the Tourism Development Loan Program;
- 26 (b) Employ fiscal consultants, attorneys, appraisers, and other agents on behalf of
- 27 the authority whom the authority deems necessary or convenient for the

1 preparation and administration of agreements and documents necessary or
 2 incidental to any project. The fees for the services provided by persons
 3 employed on behalf of the authority shall be paid by the beneficiary of a loan
 4 under this program directly to the person providing consultation, advisory,
 5 legal, or other services; and

- 6 (c) Impose and collect fees and charges in connection with any transaction and
 7 provide for reasonable penalties for delinquent payment of fees and charges.

8 ➔Section 27. KRS 148.851 is amended to read as follows:

9 As used in KRS 139.536 and KRS 148.851 to 148.860, unless the context clearly
 10 indicates otherwise:

- 11 (1) "Agreement" means a tourism attraction agreement entered into, pursuant to KRS
 12 148.859, on behalf of the authority and an approved company, with respect to a
 13 tourism attraction project;

- 14 (2) "Approved company" means any eligible company approved by the secretary of the
 15 Tourism, Arts and Heritage~~Commerce~~ Cabinet and the authority pursuant to
 16 KRS 148.859 that is seeking to undertake a tourism attraction project;

- 17 (3) "Approved costs" means:

- 18 (a) Obligations incurred for labor and to vendors, contractors, subcontractors,
 19 builders, suppliers, deliverymen, and materialmen in connection with the
 20 acquisition, construction, equipping, and installation of a tourism attraction
 21 project;

- 22 (b) The costs of acquiring real property or rights in real property and any costs
 23 incidental thereto;

- 24 (c) The cost of contract bonds and of insurance of all kinds that may be required
 25 or necessary during the course of the acquisition, construction, equipping, and
 26 installation of a tourism attraction project which is not paid by the vendor,
 27 supplier, deliveryman, contractor, or otherwise provided;

- 1 (d) All costs of architectural and engineering services, including but not limited
 2 to: estimates, plans and specifications, preliminary investigations, and
 3 supervision of construction and installation, as well as for the performance of
 4 all the duties required by or consequent to the acquisition, construction,
 5 equipping, and installation of a tourism attraction project;
- 6 (e) All costs required to be paid under the terms of any contract for the
 7 acquisition, construction, equipping, and installation of a tourism attraction
 8 project;
- 9 (f) All costs required for the installation of utilities, including but not limited to:
 10 water, sewer, sewer treatment, gas, electricity and communications, and
 11 including off-site construction of the facilities paid for by the approved
 12 company; and
- 13 (g) All other costs comparable with those described in this subsection, excluding
 14 costs subject to refund under KRS 154.20-202, 154.20-204, 154.20-206,
 15 154.20-208, and 154.20-210;
- 16 (4) "Authority" means the Kentucky Tourism Development Finance Authority as set
 17 forth in KRS 148.850;
- 18 (5) "Crafts and products center" means a facility primarily devoted to the display,
 19 promotion, and sale of Kentucky products, and at which a minimum of eighty
 20 percent (80%) of the sales occurring at the facility are of Kentucky arts, crafts, or
 21 agricultural products;
- 22 (6) "Eligible company" means any corporation, limited liability company, partnership,
 23 limited partnership, sole proprietorship, business trust, or any other entity operating
 24 or intending to operate a tourism attraction project, whether owned or leased, within
 25 the Commonwealth that meets the standards promulgated by the secretary of the
 26 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet pursuant to KRS 148.855. An
 27 eligible company may operate or intend to operate directly or indirectly through a

1 lessee;

2 (7) "Entertainment destination center" means a facility containing a minimum of two
 3 hundred thousand (200,000) square feet of building space adjacent or
 4 complementary to an existing tourism attraction, an approved tourism attraction
 5 project, or a major convention facility, and which provides a variety of
 6 entertainment and leisure options that contain at least one (1) major themed
 7 restaurant and at least three (3) additional entertainment venues, including but not
 8 limited to live entertainment, multiplex theaters, large format theaters, motion
 9 simulators, family entertainment centers, concert halls, virtual reality or other
 10 interactive games, museums, exhibitions, or other cultural and leisure time
 11 activities. Entertainment and food and drink options shall occupy a minimum of
 12 sixty percent (60%) of total gross area available for lease, and other retail stores
 13 shall occupy no more than forty percent (40%) of the total gross area available for
 14 lease;

15 (8) "Final approval" means the action taken by the authority authorizing the eligible
 16 company to receive inducements under KRS 139.536 and KRS 148.851 to 148.860;

17 (9) "Inducements" means the Kentucky sales tax refund as prescribed in KRS 139.536;

18 (10) "Preliminary approval" means the action taken by the authority conditioning final
 19 approval by the authority upon satisfaction by the eligible company of the
 20 requirements of KRS 139.536 and KRS 148.851 to 148.860;

21 (11) "State agency" means any state administrative body, agency, department, or division
 22 as defined in KRS 42.005, or any board, commission, institution, or division
 23 exercising any function of the state that is not an independent municipal corporation
 24 or political subdivision;

25 (12) "Theme restaurant destination attraction" means a restaurant facility that:

26 (a) Has construction, equipment, and furnishing costs in excess of five million
 27 dollars (\$5,000,000);

- 1 (b) Has an annual average of not less than fifty percent (50%) of guests who are
- 2 not residents of the Commonwealth;
- 3 (c) Is in operation and open to the public no less than three hundred (300) days
- 4 per year and for no less than eight (8) hours per day;
- 5 (d) Has food and nonalcoholic drink options that constitute a minimum of fifty
- 6 percent (50%) of total gross sales receipts; and
- 7 (e) 1. Has seating capacity of four hundred fifty (450) guests and offers live
- 8 music or live musical and theatrical entertainment during the peak
- 9 business hours that the facility is in operation and open to the public;
- 10 2. Within three (3) years of the completion date pursuant to KRS
- 11 148.859(1)(b), holds a top two (2) tier rating by a nationally accredited
- 12 service; or
- 13 3. Offers a unique dining experience that is not available in the
- 14 Commonwealth within a one hundred (100) mile radius of the attraction;
- 15 (13) "Tourism attraction" means a cultural or historical site, a recreation or entertainment
- 16 facility, an area of natural phenomenon or scenic beauty, a Kentucky crafts and
- 17 products center, a theme restaurant destination attraction, or an entertainment
- 18 destination center.
- 19 (a) A tourism attraction may include lodging facilities if:
- 20 1. The facilities constitute a portion of a tourism attraction project and
- 21 represent less than fifty percent (50%) of the total approved cost of the
- 22 tourism attraction project, or the facilities are to be located on
- 23 recreational property owned or leased by the Commonwealth or federal
- 24 government and the facilities have received prior approval from the
- 25 appropriate state or federal agency;
- 26 2. The facilities involve the restoration or rehabilitation of a structure that
- 27 is listed individually in the National Register of Historic Places or are

located in a National Register Historic District and certified by the Kentucky Heritage Council as contributing to the historic significance of the district, and the rehabilitation or restoration project has been approved in advance by the Kentucky Heritage Council;

3. The facilities involve the reconstruction, restoration, rehabilitation, or upgrade of a full-service lodging facility having not less than five hundred (500) guest rooms, with reconstruction, restoration, rehabilitation, or upgrade costs exceeding ten million dollars (\$10,000,000);

4. The facilities involve the construction, restoration, rehabilitation, or upgrade of a full-service lodging facility which is or will be an integral part of a major convention or sports facility, with construction, restoration, rehabilitation, or upgrade costs exceeding six million dollars (\$6,000,000); or

5. The facilities involve the construction, restoration, rehabilitation, or upgrade of a lodging facility which is or will be located:

a. In the Commonwealth within a fifty (50) mile radius of a property listed on the National Register of Historic Places with a current function of recreation and culture; and

b. Within any of the one hundred (100) least populated counties in the Commonwealth, in terms of population density, according to the most recent census;

(b) A tourism attraction shall not include the following:

1. Facilities that are primarily devoted to the retail sale of goods, other than an entertainment destination center, a theme restaurant destination attraction, a Kentucky crafts and products center, or a tourism attraction where the sale of goods is a secondary and subordinate component of the

1 attraction; and

2 2. Recreational facilities that do not serve as a likely destination where
3 individuals who are not residents of the Commonwealth would remain
4 overnight in commercial lodging at or near the tourism attraction
5 project; and

6 (14) "Tourism attraction project" or "project" means the acquisition, including the
7 acquisition of real estate by a leasehold interest with a minimum term of ten (10)
8 years, construction, and equipping of a tourism attraction; the construction, and
9 installation of improvements to facilities necessary or desirable for the acquisition,
10 construction, and installation of a tourism attraction, including but not limited to
11 surveys; installation of utilities, which may include water, sewer, sewage treatment,
12 gas, electricity, communications, and similar facilities; and off-site construction of
13 utility extensions to the boundaries of the real estate on which the facilities are
14 located, all of which are to be used to improve the economic situation of the
15 approved company in a manner that shall allow the approved company to attract
16 persons.

17 ➔Section 28. KRS 148.855 is amended to read as follows:

18 (1) The secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall
19 establish standards for the making of applications for inducements and the
20 recommendation to the authority of eligible companies and their tourism attraction
21 projects by the promulgation of administrative regulations in accordance with KRS
22 Chapter 13A.

23 (2) The secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall consult
24 with the authority when establishing standards to ensure that standards established
25 pursuant to subsection (1) of this section and KRS 148.857(1) do not conflict.

26 (3) With respect to each eligible company making an application to the secretary of the
27 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet for inducements, and with respect

1 to the tourism attraction project described in the application, the secretary of the
2 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall make inquiries and request
3 materials of the applicant that shall include, but not be limited to, marketing plans
4 for the project that target individuals who are not residents of the Commonwealth; a
5 description and location of the project; capital and other anticipated expenditures
6 for the project that indicate that the total cost of the project shall exceed one million
7 dollars (\$1,000,000), except for a theme restaurant destination attraction's project
8 cost, which shall exceed five million dollars (\$5,000,000), and the anticipated
9 sources of funding therefor; the anticipated employment and wages to be paid at the
10 project; business plans which indicate the average number of days in a year in
11 which the project will be in operation and open to the public; and the anticipated
12 revenues and expenses generated by the project. If the tourism attraction project is
13 an entertainment destination center, the sales tax refund shall be dedicated to a
14 public infrastructure purpose that shall relate to the tourism attraction project and
15 shall be approved by the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~
16 Cabinet. The applicant shall submit the public infrastructure purpose with its
17 application. Based upon a review of these materials, if the secretary of the *Tourism,*
18 *Arts and Heritage*~~[Commerce]~~ Cabinet determines that the eligible company and
19 the tourism attraction project may reasonably satisfy the criteria for final approval in
20 subsection (4) of this section, then the secretary of the *Tourism, Arts and*
21 *Heritage*~~[Commerce]~~ Cabinet may submit a written request to the authority
22 requesting that the authority consider a preliminary approval of the eligible
23 company and the tourism attraction project.

24 (4) After receiving a preliminary approval by the authority, the secretary of the
25 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall engage the services of a
26 competent consulting firm to analyze the data made available by the eligible
27 company and to collect and analyze additional information necessary to determine

1 that, in the independent judgment of the consultant, the tourism attraction project:

2 (a) Shall attract at least twenty-five percent (25%) of its visitors from among
 3 persons who are not residents of the Commonwealth, except for a theme
 4 restaurant destination attraction, which shall attract a minimum of fifty
 5 percent (50%) of its visitors from among persons who are not residents of the
 6 Commonwealth;

7 (b) Shall have costs in excess of one million dollars (\$1,000,000), except for a
 8 theme restaurant destination attraction, which shall have costs in excess of
 9 five million dollars (\$5,000,000);

10 (c) Shall have a significant and positive economic impact on the Commonwealth
 11 considering, among other factors, the extent to which the tourism attraction
 12 project will compete directly with existing tourism attractions in the
 13 Commonwealth and the amount by which increased tax revenues from the
 14 tourism attraction project will exceed the credit given to the approved
 15 company;

16 (d) Shall produce sufficient revenues and public demand to be operating and open
 17 to the public for a minimum of one hundred (100) days per year, except for a
 18 theme restaurant destination attraction, which shall be operating and open to
 19 the public for a minimum of three hundred (300) days per year; and

20 (e) Shall not adversely affect existing employment in the Commonwealth.

21 (5) The independent consulting firm shall consult with the authority, the Office of the
 22 State Budget Director and the Finance and Administration Cabinet in the
 23 development of a report on the proposed tourism attraction project. The Office of
 24 the State Budget Director and the Finance and Administration Cabinet shall agree as
 25 to the methodology to be used and assumptions to be made by the independent
 26 consultant in preparing its report. On the basis of the independent consultant's report
 27 and prior to any approval of a project by the authority, the Office of the State

Budget Director and the Finance and Administration Cabinet shall certify to the authority whether there is a projected net positive economic impact to the Commonwealth and the expected amount of incremental state revenues from the project. Approval shall not be granted if it is determined that there is no projected net positive economic impact to the Commonwealth.

(6) The eligible company shall pay for the cost of the consultant's report and shall cooperate with the consultant and provide all of the data that the consultant deems necessary to make its determination under subsection (4) of this section.

(7) After a review of relevant materials, the consultant's report, and completion of other inquiries, the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall, by written notification to the authority, provide a recommendation to the authority regarding final approval of the tourism attraction project.

➔Section 29. KRS 148.857 is amended to read as follows:

(1) The authority shall establish standards for preliminary approval and final approval of eligible companies and their projects by the promulgation of administrative regulations in accordance with KRS Chapter 13A.

(2) The authority shall consult with the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet when establishing standards to ensure that standards established pursuant to KRS 148.855(1) and subsection (1) of this section do not conflict.

(3) At the written request of the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet, the authority may, by resolution, give its preliminary approval by designating an eligible company as a preliminarily approved company and preliminarily authorizing the undertaking of the tourism attraction project.

(4) After the adoption of the authority's preliminary approval, an agent designated by the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall hold at least one (1) public hearing to solicit public comments regarding the designation of an eligible

1 company as a preliminarily approved company and the preliminary authorization for
 2 the undertaking of a tourism attraction project. Notice of the public hearing shall be
 3 given in accordance with KRS Chapter 424.

4 (5) The authority shall review the report of the consultant prepared pursuant to KRS
 5 148.855(4), the recommendation of the secretary of the *Tourism, Arts and*
 6 *Heritage*~~[Commerce]~~ Cabinet, the report prepared by the agent documenting all
 7 comments, both written and oral, received at the public hearing required by
 8 subsection (4) of this section, and other information that has been made available to
 9 the authority in order to assist the authority in determining whether the tourism
 10 attraction project will further the purposes of KRS 139.536 and KRS 148.851 to
 11 148.860.

12 (6) The criteria for final approval of eligible companies and tourism attraction projects
 13 shall include, but not be limited to, the criteria set forth in KRS 148.855(4).

14 (7) After a review of the consultant's report, the recommendation of the secretary of the
 15 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet and other information made
 16 available to the authority, the authority, by resolution, may give its final approval to
 17 the eligible company's application for a tourism attraction project and may grant to
 18 the eligible company the status of an approved company. The decision reached by
 19 the authority shall be final and no appeal shall be granted.

20 (8) All meetings of the authority shall be held in accordance with KRS 61.805 to
 21 61.850. The authority may, pursuant to KRS 61.815, hold closed sessions of its
 22 meetings to discuss matters exempt from the open meetings law and pertaining to
 23 an eligible company.

24 ➔Section 30. KRS 148.872 is amended to read as follows:

25 As used in KRS 148.870 to 148.892, unless the context otherwise requires:

26 (1) "Department" means the Kentucky Department of Parks within the *Tourism, Arts*
 27 *and Heritage*~~[Commerce]~~ Cabinet;

1 (2) "Person" means an individual, trust, firm, estate, joint stock company, corporation,
 2 nonprofit corporation, government corporation, limited liability company,
 3 partnership, association, organization, government unit or agency whether federal,
 4 state, city, commission, or other political subdivision of the Commonwealth, any
 5 interstate body, group of persons acting in concert, or other legal entity;

6 (3) "Secretary" means the secretary of the Tourism, Arts and Heritage~~[Commerce]~~
 7 Cabinet of the Commonwealth of Kentucky; and

8 (4) "Trail" means the Pine Mountain Trail State Park, as established in KRS 148.870.

9 ➔Section 31. KRS 148.880 is amended to read as follows:

10 A fund for the purpose of carrying out the provisions of KRS 148.870 to 148.892 is
 11 hereby created, to be designated as the Pine Mountain Trail fund, and shall consist of all
 12 revenues derived from privileges, concessions, contracts, or otherwise, and all moneys
 13 received by gifts, contributions, donations, and grants from public or private sources. This
 14 shall be a trust and agency fund account maintained and disbursed by the Tourism, Arts
 15 and Heritage~~[Commerce]~~ Cabinet to carry out the purposes of KRS 148.870 to 148.892,
 16 after appropriations are made for administration and other expenses and purposes
 17 provided in KRS 148.870 to 148.892. It shall not lapse, and interest earnings shall accrue
 18 to the fund.

19 ➔Section 32. KRS 150.091 is amended to read as follows:

20 (1) In addition to the powers accorded under KRS 150.090, any conservation officer
 21 appointed under this chapter may enforce the provisions of KRS 148.795 and
 22 148.796.

23 (2) Any program of enforcement for KRS 148.795 and 148.796 shall be through a
 24 memorandum of agreement between the department and the Tourism, Arts and
 25 Heritage~~[Commerce]~~ Cabinet. The department may, after entering into a
 26 memorandum of agreement with the Tourism, Arts and Heritage~~[Commerce]~~
 27 Cabinet, promulgate administrative regulations in accordance with KRS Chapter

1 13A to carry out the enforcement of KRS 148.795 and 148.796.

2 ➔Section 33. KRS 153.180 is amended to read as follows:

- 3 (1) There is hereby established a nonprofit foundation to be known as the Kentucky
4 Foundation for the Arts. The purpose of the foundation shall be to enhance the
5 stability of Kentucky's arts organizations and to ensure Kentuckians have access to
6 the arts through the support of an endowment fund.
- 7 (2) Funding for the foundation shall be obtained through state appropriations, gifts,
8 grants, and any other funds from the public and private sectors. The foundation
9 board shall have the authority to solicit, accept, and receive contributions from the
10 public and private sectors to match public funding. Moneys in the foundation fund
11 shall not lapse to the general fund at the end of the fiscal year. Moneys in the
12 foundation fund shall be invested by the Office of Financial Management
13 established in KRS 42.0201 consistent with the provisions of KRS Chapter 42, and
14 interest income earned shall be credited to the foundation fund. The foundation
15 board may use the investment income for the purpose of awarding matching grants
16 to nonprofit arts organizations to carry out the following programs:
- 17 (a) The Performing Arts and Visual Arts Touring Subsidy Program shall support
18 tours and exhibitions for the education and enjoyment of audiences throughout
19 the state.
- 20 (b) The Institutional Stabilization Program shall provide operating funds to
21 achieve short-term or long-term stability of arts organizations.
- 22 (3) The foundation shall be governed by a board of trustees consisting of six (6)
23 members appointed by the Governor on recommendations from the Kentucky Arts
24 Council. For the initial appointments, the Governor shall appoint two (2) members
25 to serve two (2) year terms; two (2) members to serve three (3) year terms; and two
26 (2) members to serve four (4) year terms. Thereafter, the Governor shall make all
27 appointments for a term of four (4) years. The board shall elect by majority vote a

1 chair and other officers deemed necessary. Board members shall not receive any
 2 compensation for their services, but may be reimbursed in accordance with the
 3 provisions of KRS 44.070 and 45.101 for actual and necessary expenses incurred in
 4 the performance of their duties.

5 (4) The foundation board shall perform duties and responsibilities deemed necessary to
 6 fulfill the purposes of this section. The foundation board shall establish by
 7 administrative regulation procedures for administration of the foundation, eligibility
 8 criteria for the award of grants, appropriate matching contributions from grant
 9 recipients, and evaluation and reporting requirements.

10 (5) The foundation shall be attached to the office of the secretary of the Tourism, Arts
 11 and Heritage~~[Commerce]~~ Cabinet for administrative purposes only. The Kentucky
 12 Arts Council shall provide to the foundation by agreement staff support and office
 13 facilities for which reasonable charges and fees may be levied against the
 14 foundation fund.

15 (6) The foundation board shall submit an annual report to the Governor and the
 16 Legislative Research Commission listing the sources of funds acquired and
 17 expended.

18 ➔Section 34. KRS 153.215 is amended to read as follows:

19 (1) There is established the Kentucky Arts Council (hereinafter referred to as "the
 20 council") which shall perform functions pursuant to KRS 153.210 to 153.235.

21 (2) The purpose of the council shall be to develop and promote a broadly conceived
 22 state policy of support for the arts in Kentucky pursuant to KRS 153.210 to
 23 153.235.

24 (3) The membership of the council shall consist of not more than sixteen (16) members
 25 who have an interest in the arts. On July 1, 1972, the Governor shall appoint not
 26 more than four (4) members for a term of one (1) year; not more than four (4)
 27 members for a term of two (2) years; not more than four (4) members for a term of

1 three (3) years; and not more than four (4) members for a term of four (4) years.
 2 Thereafter the Governor shall make all appointments for a term of four (4) years,
 3 except that of the members appointed after July 15, 1998, four (4) members
 4 appointed to fill the terms expiring July 1, 1999, shall serve until February 1, 2000;
 5 four (4) members appointed to fill the terms expiring July 1, 2000, shall serve until
 6 February 1, 2001; four (4) members appointed to fill the terms expiring July 1,
 7 2001, shall serve until February 1, 2002; and members appointed to fill the terms
 8 expiring July 1, 2002, shall serve until February 1, 2003; and subsequent
 9 appointments shall be for four (4) year terms ending on February 1.

10 (4) Council members shall not receive any compensation for their services, but may be
 11 reimbursed in accordance with the provisions of KRS Chapters 44 and 45 for actual
 12 and necessary expenses incurred in the performance of their duties under KRS
 13 153.210 to 153.235.

14 (5) From the council membership the Governor shall appoint a chairman and a vice
 15 chairman of the council. The council may elect by majority vote other officers
 16 deemed necessary.

17 (6) The council shall meet at the call of the chairman, but not less often than twice
 18 during each calendar year. A majority of the members appointed to the council shall
 19 constitute a quorum.

20 (7) The council shall be attached to the Tourism, Arts and Heritage~~Commerce~~
 21 Cabinet as an independent administrative body.

22 (8) The council shall be headed by an executive director appointed by the secretary of
 23 the Tourism, Arts and Heritage~~Commerce~~ Cabinet upon recommendation of the
 24 council.

25 ➔Section 35. KRS 153.220 is amended to read as follows:

26 The duties and functions of the arts council shall be to:

27 (1) Stimulate and encourage throughout the state the study and presentation of the arts,

- 1 and foster public interest and participation therein;
- 2 (2) Encourage public interest in the cultural heritage of our state and expand the state's
- 3 cultural resources;
- 4 (3) Encourage and assist freedom of artistic expression essential for the well-being of
- 5 the arts;
- 6 (4) Serve as the sole agency in the Commonwealth for administration of a state arts
- 7 plan developed in coordination with the Tourism, Arts and Heritage~~[Commerce]~~
- 8 Cabinet;
- 9 (5) Establish standards and procedures and advisory committees as necessary to advise
- 10 the Governor on the selection of the Kentucky poet laureate or writer laureate;
- 11 (6) Advise the Governor on matters pertaining to the arts;
- 12 (7) Adopt and promulgate regulations for the performance of its duties and functions
- 13 provided in KRS 153.210 to 153.235;
- 14 (8) Receive federal grants, and other money and property of any nature whatsoever
- 15 which may be given, donated, conveyed, bequeathed, devised, or otherwise
- 16 transferred, without condition or restriction, except that provided by law, other than
- 17 that it be used for some purpose of the council as permitted by KRS 153.210 to
- 18 153.235;
- 19 (9) Contract from time to time, as appropriate, with experts and consultants who may
- 20 be utilized as deemed necessary, and make other necessary purchases and
- 21 expenditures, all in accordance with the state plan approved by the secretary of the
- 22 Tourism, Arts and Heritage~~[Commerce]~~ Cabinet and with the state purchasing
- 23 provisions of KRS Chapters 45 and 45A;
- 24 (10) Hold public and private hearings for the purpose of furthering the objectives of the
- 25 council's programs; and
- 26 (11) Make and sign any agreements, subject to the provisions of KRS Chapters 45 and
- 27 45A, and do and perform any acts that may be necessary to carry out the purposes of

1 KRS 153.210 to 153.235.

2 ➔Section 36. KRS 153.410 is amended to read as follows:

- 3 (1) The Kentucky Center for the Arts Corporation is hereby established, and shall
- 4 consist of fifteen (15) members representing metropolitan Louisville and Kentucky
- 5 to be appointed by the Governor, who shall also designate a chairman. Initial terms
- 6 shall be staggered; thereafter, members shall be appointed to four (4) year terms.
- 7 (2) Members may be removed by the Governor only for cause after being afforded
- 8 notice, a hearing with counsel before the Governor or his designee, and a finding of
- 9 fact by the Governor. A copy of charges, transcript of the record of the hearings, and
- 10 findings of fact shall be filed with the Secretary of State.
- 11 (3) The Kentucky Center for the Arts Corporation shall be a body corporate with full
- 12 corporate powers. A quorum of the corporation shall consist of eight (8) members,
- 13 with a majority of members present authorized to act upon any matter legally before
- 14 the corporation. Full minutes and records shall be kept of all meetings of the
- 15 corporation and all official actions shall be recorded.
- 16 (4) The corporation may enact bylaws concerning the election of other officers, the
- 17 creation of an executive committee with full authority to act between regular
- 18 meetings, and the designation of alternates for members with full voting authority.
- 19 (5) The corporation shall be attached to the Tourism, Arts and Heritage~~[Commerce]~~
- 20 Cabinet for administrative purposes.

21 ➔Section 37. KRS 153.620 is amended to read as follows:

- 22 (1) April 24 of each year is declared to be "Kentucky Writers' Day."
- 23 (2) The Tourism, Arts and Heritage~~[Commerce]~~ Cabinet may plan and direct a yearly
- 24 event on April 24 honoring Kentucky writers. These plans may include designing
- 25 programs for schools and civic or business organizations.

26 ➔Section 38. KRS 154.10-010 is amended to read as follows:

- 27 (1) (a) The Kentucky Economic Development Partnership, a board governing the

Cabinet for Economic Development, is created and established, performing essential governmental and public functions and purposes essential to improving and promoting the health and general welfare of the people of the Commonwealth through sustainable economic development, as prescribed in KRS 154.01-020.

(b) The board shall have reorganization powers and authority as prescribed in KRS 12.028 and shall constitute an administrative body as defined in KRS 12.010, but it and the cabinet shall not be subject to the reorganization by the Governor, KRS Chapter 12 notwithstanding.

(c) The board shall serve as the governing body of the cabinet and shall exercise all powers and authorities conferred upon it by statute, including, but not limited to, the following functions:

1. Strategic planning;
2. Finance;
3. Business assistance;
4. Marketing and promotion;
5. Community development;
6. Workforce development;
7. Innovation; and
8. All economic development powers and authorities not specifically conferred by statute to another agency or authority of state government.

(2) The board shall consist of eleven (11) voting members and two (2) nonvoting members. The eleven (11) voting members shall consist of the Governor, the secretary of the Finance and Administration Cabinet, the secretary of the Environmental and Public Protection Cabinet, and eight (8) private sector members who shall be appointed by the Governor. The secretary of the Governor's Executive Cabinet shall serve as a voting member upon the absence of the Governor. The

1 secretary of the Cabinet for Economic Development and the secretary of the
 2 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall serve as nonvoting
 3 members.

4 (3) By no later than thirty (30) days after July 14, 1992, the governing bodies of each of
 5 the following organizations shall meet and nominate two (2) persons from each of
 6 the six (6) Congressional districts of the Commonwealth and two (2) persons from
 7 the state at large, as candidates for the initial appointment as private sector members
 8 to the board:

- 9 (a) The Kentucky Industrial Development Council;
- 10 (b) The Associated Industries of Kentucky;
- 11 (c) The Kentucky State AFL-CIO;
- 12 (d) The Kentucky Farm Bureau Federation;
- 13 (e) The Kentucky Chamber of Commerce; and
- 14 (f) The Kentucky Economic Development Corporation.

15 (4) The Governor shall select the original eight (8) private sector members from the
 16 aggregation of the lists provided pursuant to subsection (3) with at least one (1)
 17 appointment being chosen from each organization's list and at least one (1)
 18 appointment being chosen from each Congressional district. After the initial
 19 appointments, appointments to vacancies shall be made in the same manner as
 20 prescribed in subsection (3) of this section, except that there is no requirement that
 21 the vacancy be filled from the same organization's list as the original appointment.

22 (5) The terms of office of the initial appointments of the private sector members to the
 23 board shall be staggered so that one-fourth (1/4) of all appointments shall expire
 24 one (1), two (2), three (3), and four (4) years, respectively, from the date of their
 25 appointment. All succeeding appointments shall be for four (4) years.

26 (6) In making appointments to the board, the Governor shall assure broad geographical
 27 representation, as well as representation from the major sectors of Kentucky's

1 economy by leading executives with a knowledge of the problems of large and
 2 small businesses, local economic development, and the transfer of research and
 3 development from the laboratory to the marketplace. In filling vacancies, the
 4 Governor shall attempt to assure the continuing representation on the board of broad
 5 constituencies of Kentucky's economy, including manufacturing and agriculture.

6 (7) Vacancies on the board which may occur from time to time shall be filled as
 7 follows:

8 (a) Any vacancy which occurs shall be filled for the unexpired term in accordance
 9 with the procedures established for the original appointment.

10 (b) If any private sector member misses more than two (2) consecutive meetings
 11 of the board, then that position shall be declared vacant and filled in
 12 accordance with this section.

13 (8) The board shall meet quarterly and at other times upon call of the chairman or a
 14 majority of the board.

15 (9) A quorum shall be a majority of the voting membership of the board.

16 (10) A quorum shall be required to organize and conduct the business of the board,
 17 except that an affirmative vote of seven (7) or more members of the entire board
 18 shall be required to fire the cabinet's secretary, and to adopt or amend the strategic
 19 plan.

20 (11) Private sector members shall serve without compensation but shall be reimbursed
 21 for all reasonable, necessary, and actual expenses.

22 (12) All existing duties, responsibilities, functions, personnel, programs, funds,
 23 obligations, records, and real and personal property of the Cabinet for Economic
 24 Development, as of July 14, 1992, shall be under the authority and control of the
 25 board.

26 ➔Section 39. KRS 154.33-603 is amended to read as follows:

27 (1) The corporation shall be governed by a board of directors consisting of seven (7)

- 1 voting members and three (3) ex officio members as follows:
- 2 (a) Three (3) members representing the three (3) county governments, one (1) to
- 3 be appointed by the county judge/executive of Knott County, one (1) to be
- 4 appointed by the county judge/executive of Letcher County, and one (1) to be
- 5 appointed by the county judge/executive of Perry County;
- 6 (b) Three (3) members appointed by the Governor, one (1) each from Knott,
- 7 Letcher, and Perry Counties;
- 8 (c) The secretary of the Finance and Administration Cabinet, or his or her
- 9 designee, as a voting member;
- 10 (d) The secretary of the Tourism, Arts and Heritage~~[Commeree]~~ Cabinet, or his
- 11 or her designee, as an ex officio, nonvoting member;
- 12 (e) The secretary of the Cabinet for Economic Development, or his or her
- 13 designee, as an ex officio, nonvoting member; and
- 14 (f) The commissioner of the Governor's Office for Local Development, or his or
- 15 her designee, as an ex officio, nonvoting member.
- 16 (2) Appointed members shall serve staggered terms of four (4) years beginning August
- 17 1, 2000, except that of the initial appointments:
- 18 (a) One (1) member appointed by the Governor and the member appointed by the
- 19 county judge/executive of Knott County shall each serve a term of four (4)
- 20 years;
- 21 (b) One (1) member appointed by the Governor and the member appointed by the
- 22 county judge/executive of Letcher County shall each serve a term of three (3)
- 23 years;
- 24 (c) The one (1) member appointed by the county judge/executive of Perry County
- 25 shall serve a term of two (2) years; and
- 26 (d) One (1) member appointed by the Governor shall serve a term of one (1) year.
- 27 (3) A member may be removed by the appointing authority only for neglect of duty,

1 misfeasance, or malfeasance and after being afforded an opportunity for a hearing in
2 accordance with KRS Chapter 13B.

- 3 (4) Members of the board shall serve without compensation but shall be reimbursed for
4 actual and necessary travel expenses incurred in the performance of their duties.
5 The reimbursement shall be in accordance with administrative regulations
6 promulgated under KRS Chapter 13A by the Finance and Administration Cabinet.

7 ➔Section 40. KRS 154.40-020 is amended to read as follows:

- 8 (1) The Eastern Kentucky Exposition Center Corporation is created and established as
9 an independent, de jure municipal corporation and political subdivision of the
10 Commonwealth that shall be a public body corporate and politic. The corporation
11 shall develop, operate, and manage the Eastern Kentucky Exposition Center funded
12 by 2000 Ky. Acts ch. 549, Part II, Section F, Item 1(e) and Part II, Section S, Item
13 2(a)236. The corporation shall be attached to the *Tourism, Arts and*
14 *Heritage*~~[Commerce]~~ Cabinet for administrative purposes.

- 15 (2) The corporation shall be a participating agency in the Kentucky Employees
16 Retirement System. Its employees shall be considered state employees for the
17 purpose of participating in the Kentucky Employees Retirement System and shall be
18 entitled to the requirements and benefits provided to other system participants.

19 ➔Section 41. KRS 154.47-050 is amended to read as follows:

20 The Kentucky Wood Products Competitiveness Corporation shall work in cooperation
21 with the Kentucky Department of Parks of the *Tourism, Arts and Heritage*~~[Commerce]~~
22 Cabinet to:

- 23 (1) Develop and design Kentucky-made furniture for use in state parks;
24 (2) Make state parks facilities living showrooms for Kentucky furniture and other wood
25 products; and
26 (3) Establish retail showrooms where Kentucky-made furniture and other wood
27 products can be displayed for sale to, or order by, park visitors.

1 ➔Section 42. KRS 154.90-010 is amended to read as follows:

- 2 (1) The Northern Kentucky Convention Center Corporation is hereby established to
 3 develop and manage the Northern Kentucky Convention Center. The corporation
 4 shall be attached to the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet for
 5 administrative purposes. The corporation shall be directed by a board consisting of
 6 seven (7) members appointed as follows:
- 7 (a) The county judge/executives of Kenton, Campbell and Boone Counties, with
 8 the approval of their respective fiscal courts, shall each appoint one (1)
 9 member to the board. An appointee under this subsection shall have
 10 demonstrated successful business experience in a field related to the
 11 convention business;
- 12 (b) The mayor of the city within which the convention center is located shall
 13 appoint one (1) member, with the approval of the city commission; and
- 14 (c) The Governor shall appoint three (3) members.
- 15 (d) One (1) of the initial appointees of the Governor shall have a one (1) year
 16 term, one (1) shall have a two (2) year term, and one (1) shall have a three (3)
 17 year term. All other appointments, and all subsequent appointments by the
 18 Governor, shall be for four (4) year terms.
- 19 (e) Members may be removed by the appointing authority only for cause and after
 20 being afforded notice, a hearing, and a finding of fact by the appointing
 21 authority. A copy of charges, transcript of the record of the hearings, and
 22 findings of fact shall be filed with the Secretary of State.
- 23 (2) The Northern Kentucky Convention Center Corporation shall be a body corporate
 24 with full corporate powers. A quorum of the corporation shall consist of four (4)
 25 members, with a majority of members present authorized to act upon any matter
 26 legally before the corporation. Minutes and records shall be kept of all meetings of
 27 the corporation and all official actions shall be recorded.

1 (3) The corporation may enact bylaws concerning the election of officers and other
2 administrative procedures it deems necessary.

3 ➔Section 43. KRS 171.312 is amended to read as follows:

4 In order to better facilitate the operation and management, the Kentucky Historical
5 Society shall be organized into four (4) separate divisions. These divisions shall include:
6 Research and Publications; Oral History and Educational Outreach; Administration; and
7 Museums. The divisions shall be headed by a director appointed by the Executive
8 Committee of the Kentucky Historical Society of the Tourism, Arts and
9 Heritage~~[Commerce]~~ Cabinet pursuant to KRS 171.311.

10 ➔Section 44. KRS 171.347 is amended to read as follows:

11 There is created the Commonwealth of Kentucky Abraham Lincoln Bicentennial
12 Commission, which shall be attached to the Kentucky Historical Society for
13 administrative purposes. The commission shall be composed of twenty (20) members, as
14 follows:

- 15 (1) Two (2) members of the House of Representatives, appointed by the Speaker of the
16 House;
- 17 (2) Two (2) members of the Senate, appointed by the President of the Senate;
- 18 (3) The secretary of the Education Cabinet, or his or her designee;
- 19 (4) One (1) member from the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet,
20 appointed by the secretary of that cabinet;
- 21 (5) One (1) member from the Kentucky Historical Society, appointed by the director of
22 that agency;
- 23 (6) One (1) member from the Kentucky Heritage Council, appointed by the executive
24 director of that agency;
- 25 (7) One (1) member from the Kentucky African-American Heritage Commission,
26 appointed by the head of that agency;
- 27 (8) One (1) member from the Kentucky Humanities Council, appointed by the

1 executive director of that agency;

2 (9) One (1) member from the Abraham Lincoln Bicentennial Commission established
3 by the United States Congress, appointed by the concurrence of the chairs of that
4 agency;

5 (10) The Larue County judge/executive, or his or her designee;

6 (11) One (1) member from the Abraham Lincoln Birthplace, appointed by the
7 superintendent of that national historic site;

8 (12) One (1) member from the Lincoln Museum in Hodgenville, appointed by the
9 president of that agency;

10 (13) One (1) member from the Mary Todd Lincoln House in Lexington, appointed by the
11 head of that agency;

12 (14) One (1) member from the Farmington Historic Home museum in Louisville,
13 appointed by the head of that agency; and

14 (15) Four (4) citizen members from the state at large with a demonstrated interest in
15 history and substantial knowledge and appreciation of Abraham Lincoln, appointed
16 by the Governor.

17 The chair of the commission shall be elected from among the membership by the
18 commission members.

19 ➔Section 45. KRS 171.3801 is amended to read as follows:

20 (1) There is established the Kentucky Heritage Council (hereinafter referred to as "the
21 council") which shall perform the functions specified in KRS 171.381.

22 (2) The membership of the council shall consist of not more than sixteen (16) members
23 who have an interest in the preservation and protection of Kentucky's heritage. On
24 or before September 15, 1982, the Governor shall appoint not more than four (4)
25 members for a term of one (1) year, not more than four (4) members for a term of
26 two (2) years, not more than four (4) members for a term of three (3) years, and not
27 more than four (4) members for a term of four (4) years. Thereafter, the Governor

1 shall make all appointments for a term of four (4) years.

2 (3) Council members shall receive no compensation for their services but may be
3 reimbursed for actual and necessary expenses incurred in the performance of their
4 duties.

5 (4) From the council membership the Governor shall appoint a chairman and a vice
6 chairman of the council. The council may elect by majority vote other officers
7 deemed necessary.

8 (5) The council shall meet at the call of the chairman, but not less often than twice
9 during each calendar year. A majority of the members appointed to the council shall
10 constitute a quorum.

11 (6) The council shall be attached to the Tourism, Arts and Heritage~~Commerce~~
12 Cabinet for administrative purposes.

13 (7) The Heritage Council shall include a heritage division, whose duties shall include
14 providing staff services needed by the Heritage Council in order to perform its
15 duties under KRS 171.381, including but not limited to preserving and protecting
16 buildings, sites and other landmarks associated with the archaeological, cultural,
17 economic, military, national, political and social aspects of Kentucky's history.

18 (8) The heritage division shall be headed by a director appointed by the Governor from
19 a list of three (3) nominees submitted by the Heritage Council; and the Heritage
20 Council and the heritage division shall not be subject to reorganization.

21 ➔Section 46. KRS 171.381 is amended to read as follows:

22 (1) The Kentucky Heritage Council shall be dedicated to the preservation and
23 protection of all meaningful vestiges of Kentucky's heritage for succeeding
24 generations, and in pursuit of this dedication it shall engage in and concern itself
25 with worthy projects and other matters related to the conservation and continuing
26 recognition of buildings, structures, sites, and other landmarks associated with the
27 archaeological, cultural, economic, military, natural, political, or social aspects of

1 Kentucky's history.

2 (2) The duties and functions of the council shall be to:

3 (a) Review and recommend appropriate projects and programs to insure the
4 proper recognition, preservation, and protection of matters related to
5 Kentucky's heritage, particularly those in the nature of or associated with real
6 property;

7 (b) Advise, consult, and cooperate generally with state, local, and national
8 officials and agencies to accomplish the purposes to which the council is
9 dedicated, and specifically with the Kentucky Department of Parks and
10 Historical Society in matters of common concern;

11 (c) Encourage, promote, and coordinate historic preservation programs being
12 conducted in Kentucky by other agencies or groups, public and private;

13 (d) Prepare and maintain an inventory or survey of Kentucky's resource of historic
14 buildings, sites, structures, and other landmarks, and list in an official roll
15 those landmarks which possess statewide or national significance; and

16 (e) Conduct a survey and maintain a catalog of Kentucky's historic drylaid and
17 historic mortared rock fences as defined in KRS 171.391.

18 (3) The council may:

19 (a) Accept grants or other funds or property from any available source, public or
20 private;

21 (b) Employ, with the approval of the Governor, staff as may be necessary. Any
22 member of the staff shall be entitled to compensation under KRS Chapter
23 18A, and may be reimbursed for necessary and actual expenses in accordance
24 with the provisions of KRS Chapters 44 and 45;

25 (c) Enter into contractual relationships as may be necessary;

26 (d) Acquire real property, by gift or devise or by purchase pursuant to the
27 provisions of KRS 45A.045, and hold the same in the name of the

- 1 Commonwealth for the use and benefit of the council;
- 2 (e) Initiate its own projects of an appropriate nature, and undertake or otherwise
- 3 engage in joint projects with other agencies or groups, public or private; and
- 4 (f) Adopt rules and regulations as may be necessary and incidental to the
- 5 performance of the council's duties and functions.
- 6 (4) The receipt, control, and expenditure of funds shall be subject to the general
- 7 provisions of the Kentucky Revised Statutes governing financial administration of
- 8 all state agencies.
- 9 (5) No provision of this section shall be construed as repealing any of the laws of the
- 10 Commonwealth relating to the preservation, protection, and recognition of historical
- 11 matters, but shall be held and construed as ancillary and supplemental thereto.
- 12 (6) The council shall receive applications, interview and recommend to the Governor
- 13 three (3) persons as nominees for appointment as the director of the Heritage
- 14 Division, Tourism, Arts and Heritage~~[Commerce]~~ Cabinet. The director of the
- 15 Heritage Division shall be the state historic preservation officer.
- 16 (7) The responsibilities of the state historic preservation officer shall include:
- 17 (a) Development for the State Historic Preservation Program;
- 18 (b) Direction of a comprehensive statewide survey of historic properties;
- 19 (c) Nomination of historic properties to the National Register of Historic Places;
- 20 (d) Cooperation in the development of effective working relationships with
- 21 federal, state, and local agencies that participate in the management of historic
- 22 properties and in project planning that may affect historic properties;
- 23 (e) Cooperation in the integration of historic preservation planning with all levels
- 24 of planning;
- 25 (f) Cooperation in the development and maintenance of a review procedure for
- 26 publicly funded, assisted, and licensed undertakings that may affect historic
- 27 properties within the state;

- 1 (g) Participation in the review of federal, federally assisted, and federally licensed
- 2 undertakings that may affect historic properties included in or eligible for
- 3 inclusion in the National Register under Section 106 of the National Historic
- 4 Preservation Act and Executive Order 11593;
- 5 (h) Assisting federal agencies in fulfilling their historic preservation
- 6 responsibilities under federal law and regulations;
- 7 (i) Liaison with organizations of professional archaeologists, historians,
- 8 architects, architectural historians, planners, and others concerned with
- 9 historic preservation;
- 10 (j) Development and operation of a program of public information and education
- 11 concerning the preservation program;
- 12 (k) Administration of the grants program within the state;
- 13 (l) Preparation and maintenance of a comprehensive statewide historic
- 14 preservation plan; and
- 15 (m) The immediate transmittal to the Department of Parks and to the
- 16 Commonwealth's Railtrail Development Office in the Governor's Office for
- 17 Local Development of any information received from a railroad or other
- 18 person having an ownership interest in a railroad corridor pertaining to a
- 19 proposed or pending action or proceeding to obtain federal authority for the
- 20 regulatory abandonment of that railroad corridor.

21 ➔Section 47. KRS 171.800 is amended to read as follows:

- 22 (1) The Kentucky African-American Heritage Commission is hereby established to
- 23 perform the functions specified in KRS 171.805.
- 24 (2) The membership of the commission shall consist of three (3) ex officio members
- 25 and seventeen (17) members who derive from geographically diverse areas of the
- 26 state and who represent various heritage interests as follows:
- 27 (a) The secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet, or the

- 1 secretary's designee to serve ex officio;
- 2 (b) The president of Kentucky State University, or the president's designee to
- 3 serve ex officio;
- 4 (c) The director of the Kentucky Heritage Council, or the director's designee to
- 5 serve ex officio;
- 6 (d) Four (4) members from institutions of higher education;
- 7 (e) One (1) member from the preservation community;
- 8 (f) One (1) member from the arts community; and
- 9 (g) Eleven (11) members from the public-at-large.
- 10 (3) Appointed members shall be appointed by the Governor and shall serve for terms of
- 11 four (4) years. Any vacancies shall be filled by appointment of the Governor for the
- 12 remainder of the unexpired term.
- 13 (4) Commission members shall receive no compensation for their services but may be
- 14 reimbursed for actual and necessary expenses incurred in the performance of their
- 15 duties.
- 16 (5) From the commission membership, the Governor shall appoint a chairman and a
- 17 vice chairman of the commission. The commission may elect by majority vote other
- 18 officers deemed necessary.
- 19 (6) The commission shall meet at the call of the chairman, but not less often than three
- 20 times during each calendar year. A majority of the members appointed to the
- 21 commission shall constitute a quorum.
- 22 (7) The commission shall be attached to the Kentucky Heritage Council for
- 23 administrative purposes.
- 24 (8) The commission may accept grants or raise funds from any available source, public
- 25 or private, to accomplish its duties and responsibilities. Committees may be formed
- 26 at the discretion of the chairman.
- 27 (9) The African-American Heritage Program is established as a branch within the

1 Kentucky Heritage Division, whose responsibilities shall include providing staff
2 services needed to perform its duties under KRS 171.805.

3 ➔Section 48. KRS 171.805 is amended to read as follows:

4 (1) The Kentucky African-American Heritage Commission shall be dedicated to the
5 preservation and protection of all meaningful vestiges of Kentucky's African-
6 American heritage.

7 (2) The duties and functions of the commission shall be to:

8 (a) Advise the secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet
9 and agencies within the cabinet on matters relating to African-American
10 heritage;

11 (b) Encourage other public and private agencies within the areas of the arts, the
12 humanities, and the sciences to incorporate the African-American influence
13 when developing programs on the history and heritage of Kentucky;

14 (c) Represent a network of groups and individuals interested or involved in
15 promoting awareness of African-American heritage in Kentucky;

16 (d) Advocate the preservation, conservation, and interpretation of significant
17 buildings, sites, neighborhoods, documents, artifacts, and lifeways that
18 represent and embody African-American heritage;

19 (e) Recognize and sanction projects which advance wider knowledge of African-
20 Americans' impact on life in Kentucky; and

21 (f) Coordinate an initiative to protect, preserve, and promote the history of the
22 Underground Railroad in Kentucky, in accordance with KRS 171.812.

23 ➔Section 49. KRS 171.812 is amended to read as follows:

24 The commission shall coordinate Kentucky's Underground Railroad initiative in
25 accordance with KRS 171.805. The commission's duties as they relate to this initiative
26 shall include but not be limited to the following:

27 (1) Undertake a comprehensive statewide inventory of historic sites related to the

- 1 Underground Railroad, and implement a master plan for site protection and
- 2 development;
- 3 (2) Encourage and assist the state preservation officer within the Kentucky Heritage
- 4 Council to nominate significant historical sites of the Kentucky Underground
- 5 Railroad to the national and state registers of historic places;
- 6 (3) Develop and operate, in conjunction with the *Tourism, Arts and*
- 7 *Heritage*~~[Commerce]~~ Cabinet, a program of public information, education, and
- 8 promotion of the history of the Underground Railroad in Kentucky, to include but
- 9 not be limited to implementing and maintaining a Web site connected to the
- 10 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet;
- 11 (4) Coordinate with local, state, and federal authorities in project planning that may
- 12 affect Underground Railroad sites in Kentucky and neighboring states;
- 13 (5) Consider the council's recommendations and, contingent on review by the council,
- 14 present to the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet an
- 15 annual report and plan for future action; and
- 16 (6) Pursue public and private funds to carry out the duties set forth in this section.

17 ➔Section 50. KRS 171.814 is amended to read as follows:

18 An Underground Railroad Advisory Council shall be established within the commission.

19 (1) The council shall consist of thirteen (13) members, as follows:

- 20 (a) Secretary of the Education Cabinet, or designee;
- 21 (b) Secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet, or
- 22 designee;
- 23 (c) Secretary of the Transportation Cabinet, or designee;
- 24 (d) Director of the Kentucky Historical Society, or designee;
- 25 (e) State historic preservation officer of the Kentucky Heritage Council, or
- 26 designee;
- 27 (f) Chair of the commission or designee;

- 1 (g) Director of the Underground Railroad Institute at Georgetown College, or
2 designee;
- 3 (h) Two (2) members of the General Assembly who hold an interest in the
4 Underground Railroad, one (1) appointed by the President of the Senate and
5 one (1) appointed by the Speaker of the House of Representatives;
- 6 (i) Two (2) at-large representatives who hold an interest in the protection,
7 preservation, and promotion of the history of the Underground Railroad in
8 Kentucky, appointed by the Governor;
- 9 (j) One (1) member of the board or staff of the National Underground Railroad
10 Freedom Center who resides within a county of the Northern Kentucky Area
11 Development District; and
- 12 (k) One (1) member of the board or staff of the National Underground Railroad
13 Museum who resides within a county of the Buffalo Trace Area Development
14 District.
- 15 (2) The duties of the council shall be to:
 - 16 (a) Advise and assist the commission with respect to issues and opportunities
17 related to the Underground Railroad; and
 - 18 (b) Annually review and make recommendations to the commission on the annual
19 report and plan for future action.
- 20 (3) Members of the council shall be appointed for four (4) year terms, except that initial
21 appointments for the two (2) at-large members shall be made so that one (1)
22 member is appointed for two (2) years, and one (1) member is appointed for three
23 (3) years. Sitting members shall be eligible for reappointment.
- 24 (4) The chair of the commission shall serve as chair of the council.
- 25 (5) The council shall meet annually or more frequently at the request of the chair.
- 26 (6) Six (6) members shall constitute a quorum for conducting business.
- 27 (7) In the event of a vacancy, the appropriate appointing entity shall appoint a

1 replacement member who shall hold office during the remainder of the term so
2 vacated.

3 (8) Members of the council shall serve without compensation.

4 ➔Section 51. KRS 171.816 is amended to read as follows:

5 The *Tourism, Arts and Heritage*~~[Commeree]~~ Cabinet shall be charged with the purpose
6 of protecting, preserving, and promoting the history of the Underground Railroad in
7 Kentucky in accordance with KRS 171.805 and 171.810 to 171.814. The secretary of the
8 *Tourism, Arts and Heritage*~~[Commeree]~~ Cabinet shall receive an annual report from the
9 Kentucky African-American Heritage Commission in accordance with KRS 171.812(5),
10 and shall review and submit the annual report to the Governor and the Legislative
11 Research Commission for distribution to the appropriate committees.

12 ➔Section 52. KRS 171.822 is amended to read as follows:

13 The duties of the Kentucky Native American Heritage Commission shall be to:

- 14 (1) Advise the *Tourism, Arts and Heritage*~~[Commeree]~~ Cabinet, the Kentucky
15 Heritage Council, and the Kentucky General Assembly on matters relating to Native
16 American heritage;
- 17 (2) Encourage other public and private agencies within the areas of the arts, humanities,
18 and sciences to incorporate the Native American influence when developing
19 programs on the history and heritage of Kentucky;
- 20 (3) Represent a network of groups and individuals interested, or actively involved, in
21 promoting awareness of Native American heritage in Kentucky;
- 22 (4) Support the preservation, conservation, and interpretation of significant buildings,
23 sites, structures, documents, artifacts, and lifestyles that represent and embody
24 Native American heritage; and
- 25 (5) Recognize and sanction projects that advance wider knowledge of Native
26 Americans' contributions to, and influence and impact on, life in Kentucky.

27 ➔Section 53. KRS 176.500 is amended to read as follows:

- 1 (1) The Mississippi River Parkway Commission of Kentucky is hereby established to
2 serve as the local coordinating agency for the development of the Great River Road
3 along the Mississippi River from Canada to the Gulf of Mexico. The commission
4 shall be attached to the Office of the Secretary of the *Tourism, Arts and*
5 *Heritage*~~[Commeree]~~ Cabinet for administrative purposes.
- 6 (2) The commission shall consist of the following ten (10) members: Four (4) citizen
7 members, appointed by the Governor, and consisting of one (1) member from each
8 of the four (4) counties that border the Mississippi River, who shall serve a term of
9 four (4) years and may serve until a successor is appointed. Four (4) members shall
10 be the respective county judges/executive of Ballard, Carlisle, Fulton, and Hickman
11 Counties in Kentucky. Other members shall be the secretary of the *Tourism, Arts*
12 *and Heritage*~~[Commeree]~~ Cabinet or his designee; and the secretary of the
13 Transportation Cabinet, or his designee. The commission shall annually elect a
14 chairman and shall meet quarterly or upon call of the chairman with ten (10) days'
15 written notice. Six (6) members present shall constitute a quorum for the official
16 conduct of business. The commission may enter into contracts with the Purchase
17 Area Development District to provide administrative services.
- 18 (3) Members shall receive no compensation but shall be reimbursed according to state
19 regulations for actual and necessary expenses incurred in conducting commission
20 business.
- 21 (4) The commission shall assure that the proper direction is taken in developing a
22 corridor of scenic, historical, and archaeological significance through the Kentucky
23 counties of Ballard, Carlisle, Hickman, and Fulton.

24 ➔Section 54. KRS 177.107 is amended to read as follows:

25 The Transportation and Tourism Interagency Committee is established to foster close
26 collaboration between the *Tourism, Arts and Heritage*~~[Commeree]~~ Cabinet and the
27 Transportation Cabinet on policies that affect the tourism industry and to place strong

emphasis on the coordination of mutual interests such as highway signage, scenic byways, highway safety, and concern for the Commonwealth's beauty and heritage.

➔Section 55. KRS 177.108 is amended to read as follows:

(1) The Transportation and Tourism Interagency Committee shall be composed of thirteen (13) members or their official appointed designees, as follows:

(a) Six (6) members appointed by the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet;

(b) Six (6) members appointed by the secretary of the Transportation Cabinet; and

(c) One (1) member appointed by the executive director of the Kentucky Heritage Council.

(2) Committee members shall receive no compensation for their services, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with the performance of their duties and functions as committee members.

(3) The committee shall elect its chair and vice chair from representatives of the *Tourism, Arts and Heritage*~~[Commerce]~~ and Transportation Cabinets for a term of one (1) year. The vice chair shall succeed the chair. The chair shall alternately be a representative of the *Tourism, Arts and Heritage*~~[Commerce]~~ and Transportation Cabinets.

(4) The committee shall meet upon the call of the chair and upon the request of the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet or the secretary of the Transportation Cabinet.

(5) A committee member may appoint a proxy for an individual meeting, delegating to the proxy the privilege of voting on any issue. The proxy appointment shall be in writing.

➔Section 56. KRS 177.109 is amended to read as follows:

The Transportation and Tourism Interagency Committee shall have but not be limited to

1 the following duties and responsibilities:

- 2 (1) Review Kentucky's signage laws, administrative regulations, and policies
3 implementing the federal "Manual on Uniform Traffic Control Devices" and submit
4 any proposed revisions to the secretary of the Transportation Cabinet;
- 5 (2) Seek public comment on Kentucky's signage laws, administrative regulations, and
6 policies;
- 7 (3) Advise the Transportation Cabinet on the scenic byways and highways program;
- 8 (4) Review and make recommendations on requests for highway signage from tourism-
9 related entities;
- 10 (5) Coordinate development of the tourism information potential of welcome centers
11 and rest areas through such means as interactive videos, information kiosks, and
12 highway advisory radio transmitters, as well as other innovative methods which
13 may be identified by the committee;
- 14 (6) Monitor developments across the United States relating to billboards and official
15 signs;
- 16 (7) Report to the secretary of the Transportation Cabinet and to the secretary of the
17 Tourism, Arts and Heritage~~[Commerce]~~ Cabinet on issues of mutual interest to the
18 cabinets;
- 19 (8) Serve as an advisory committee on issues identified by the secretary of the
20 Transportation Cabinet and secretary of the Tourism, Arts and
21 Heritage~~[Commerce]~~ Cabinet; and
- 22 (9) Report committee recommendations to the secretary of the Transportation Cabinet,
23 the secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet, the secretary
24 of the Education Cabinet, and the secretary of the Executive Cabinet.

25 ➔Section 57. KRS 177.573 is amended to read as follows:

26 The Transportation Cabinet, in coordination with the Tourism, Arts and
27 Heritage~~[Commerce]~~ Cabinet and the Kentucky Heritage Council, shall promulgate

1 administrative regulations under KRS Chapter 13A to establish:

- 2 (1) Specific criteria for a road to be designated a scenic byway or a scenic highway;
- 3 (2) A process for nominating and review of a road as a scenic byway or scenic highway;
- 4 (3) A process for designating a road as a scenic byway or scenic highway; and
- 5 (4) A process to remove the scenic designation from a byway or highway if the intrinsic
- 6 qualities of the road change or if the community affected by the road requests the
- 7 scenic designation to be removed.

8 ➔Section 58. KRS 230.225 is amended to read as follows:

- 9 (1) The Kentucky Horse Racing Authority is created as an independent agency of state
- 10 government to regulate the conduct of horse racing and pari-mutuel wagering on
- 11 horse racing, and related activities within the Commonwealth of Kentucky. The
- 12 authority shall be attached to the Environmental and Public Protection Cabinet for
- 13 administrative purposes.
- 14 (2) The Kentucky Horse Racing Authority shall consist of thirteen (13) members
- 15 appointed by the Governor, with the secretaries of the Environmental and Public
- 16 Protection Cabinet, Tourism, Arts and Heritage~~[Commerce]~~ Cabinet, and
- 17 Economic Development Cabinet serving as ex officio, nonvoting members. Two (2)
- 18 members shall have no financial interest in the business or industry regulated. The
- 19 members of the authority shall be appointed to serve for a term of three (3) years
- 20 except, of the members initially appointed, four (4) shall serve for a term of three
- 21 (3) years, five (5) shall serve for a term of two (2) years, and four (4) shall serve for
- 22 a term of one (1) year. Any member appointed to fill a vacancy occurring other than
- 23 by expiration of a term shall be appointed for the remainder of the unexpired term.
- 24 In making appointments, the Governor may consider members broadly
- 25 representative of the thoroughbred industry and members broadly representative of
- 26 the standardbred, quarter horse, Appaloosa, or Arabian industries. The Governor
- 27 may also consider recommendations from the Kentucky Thoroughbred Owners and

1 Breeders, Inc., the Kentucky Division of the Horsemen's Benevolent and Protective
2 Association, the Kentucky Harness Horsemen's Association, and other interested
3 organizations.

4 (3) Members of the authority shall receive fifty dollars (\$50) per day for each meeting
5 attended and shall be reimbursed for all expenses paid or incurred in the discharge
6 of official business. The Governor shall appoint one (1) member of the authority to
7 serve as its chairperson who shall serve at the pleasure of the Governor. The
8 Governor shall further designate a second member to serve as vice chair with
9 authority to act in the absence of the chairperson. Before entering upon the
10 discharge of their duties, all members of the Kentucky Horse Racing Authority shall
11 take the constitutional oath of office.

12 (4) The authority shall establish and maintain a general office for the transaction of its
13 business and may in its discretion establish a branch office or offices. The authority
14 may hold meetings at any of its offices or at any other place when the convenience
15 of the authority requires. All meetings of the authority shall be open and public, and
16 all persons shall be permitted to attend meetings. A majority of the authority shall
17 constitute a quorum for the transaction of its business or exercise of any of its
18 powers.

19 (5) The duly promulgated administrative regulations of the Kentucky Horse Racing
20 Authority, in effect as of January 6, 2004, shall remain in effect as the initial
21 regulations of the Kentucky Horse Racing Authority until revoked or modified by
22 the authority.

23 (6) All licenses approved by, and dates awarded by, the Kentucky Horse Racing
24 Authority shall remain in effect through December 31, 2004.

25 (7) Except as otherwise provided, the authority shall be responsible for the following:

26 (a) Developing programs and procedures for oversight and regulation of horse
27 racing matters, including but not limited to race day medications;

- 1 (b) Recommending tax incentives and other options to promote the strength and
- 2 growth of the thoroughbred industry and to preserve the economic viability of
- 3 Kentucky's horse farms;
- 4 (c) Designing and implementing programs that strengthen the ties between
- 5 Kentucky's horse industry and the state's universities, with the goal of
- 6 increasing the horse industry's impact on the state's economy;
- 7 (d) Developing and supporting programs which ensure that Kentucky remains a
- 8 national leader in equine research; and
- 9 (e) Developing and implementing programs that promote Kentucky's horse and
- 10 tourism industry.

11 ➔Section 59. KRS 235.010 is amended to read as follows:

12 As used in this chapter, unless the context clearly requires a different meaning:

- 13 (1) "Vessel" means every description of watercraft, other than a seaplane on the water;
- 14 (2) "Motorboat" means any vessel propelled by machinery, whether or not such
- 15 machinery is the principal source of propulsion, except for the following:
- 16 (a) Boats or vessels propelled totally by a direct current battery-powered motor
- 17 when used on private waters;
- 18 (b) Boats propelled by human power employing the use of hand or foot operation;
- 19 and
- 20 (c) Federally regulated commercial vessels;
- 21 (3) "Owner" means a person, other than a lienholder, having the property in or title to a
- 22 motorboat. The term includes a person entitled to the use or possession of a
- 23 motorboat subject to an interest in another person, reserved or created by agreement
- 24 and securing payment or performance of an obligation, but the term excludes a
- 25 lessee under a lease not intended as security;
- 26 (4) "Personal watercraft" means a vessel which uses an internal combustion engine to
- 27 power a jet pump for its primary source of propulsion and is designed to be operated

- 1 by a person sitting, standing, or kneeling on the vessel rather than to be operated by
 2 a person sitting or standing inside the vessel;
- 3 (5) "Safe boating certificate" means a document attesting the successful completion of
 4 instruction, approved by the department or given by the United States Coast Guard
 5 or Coast Guard Auxiliary or the United States Power Squadron, to prepare an
 6 individual to safely operate a motorboat or personal watercraft on the waters of the
 7 Commonwealth;
- 8 (6) "Waters of this state" means any waters within the territorial limits of this state;
- 9 (7) "Person" means an individual, partnership, firm, corporation, association, or other
 10 entity;
- 11 (8) "Operate" means to navigate or otherwise use a motorboat or a vessel;
- 12 (9) "Cabinet" means the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet;
- 13 (10) "Department" means the Department of Fish and Wildlife Resources;
- 14 (11) "License" and "certificate of number" as used herein are synonymous;
- 15 (12) "Clerk" means county clerk;
- 16 (13) "Division of Law Enforcement" means the Division of Law Enforcement,
 17 Department of Fish and Wildlife Resources within the Tourism, Arts and
 18 Heritage~~[Commerce]~~ Cabinet;
- 19 (14) "Title" means the certificate of title;
- 20 (15) "Commissioner" means the commissioner of the Department of Fish and Wildlife
 21 Resources;
- 22 (16) "Federally regulated commercial vessel" means any vessel holding a United States
 23 certificate of documentation with a coastwise trade endorsement;
- 24 (17) "Marina" means a dock or basin providing moorings for motorboats and offering
 25 supply, repair, or other services for remuneration; and
- 26 (18) "Marine sanitation device" means equipment that is identified by the United States
 27 Coast Guard as meeting the standards of the United States Environmental

1 Protection Agency or that is approved by the Environmental and Public Protection
 2 Cabinet, to eliminate the discharge of untreated sewage from vessels into the waters
 3 of the Commonwealth and is a device that receives, treats, retains, or discharges
 4 sewage.

5 ➔Section 60. KRS 235.010 is amended to read as follows:

6 As used in this chapter, unless the context clearly requires a different meaning:

7 (1) "Vessel" means every description of watercraft, other than a seaplane on the water;

8 (2) "Motorboat" means any vessel propelled by machinery, whether or not such
 9 machinery is the principal source of propulsion, except for the following:

10 (a) Boats or vessels propelled totally by a direct current battery-powered motor
 11 when used on private waters;

12 (b) Boats propelled by human power employing the use of hand or foot operation;
 13 and

14 (c) Federally regulated commercial vessels;

15 (3) "Owner" means a person, other than a lienholder, having the property in or title to a
 16 motorboat. The term includes a person entitled to the use or possession of a
 17 motorboat subject to an interest in another person, reserved or created by agreement
 18 and securing payment or performance of an obligation, but the term excludes a
 19 lessee under a lease not intended as security;

20 (4) "Personal watercraft" means a vessel which uses an internal combustion engine to
 21 power a jet pump for its primary source of propulsion and is designed to be operated
 22 by a person sitting, standing, or kneeling on the vessel rather than to be operated by
 23 a person sitting or standing inside the vessel;

24 (5) "Safe boating certificate" means a document attesting the successful completion of
 25 instruction, approved by the department or given by the United States Coast Guard
 26 or Coast Guard Auxiliary or the United States Power Squadron, to prepare an
 27 individual to safely operate a motorboat or personal watercraft on the waters of the

1 Commonwealth;

2 (6) "Waters of this state" means any waters within the territorial limits of this state;

3 (7) "Person" means an individual, partnership, firm, corporation, association, or other
4 entity;

5 (8) "Operate" means to navigate or otherwise use a motorboat or a vessel;

6 (9) "Cabinet" means the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet;

7 (10) "Department" means the Department of Fish and Wildlife Resources;

8 (11) "License" and "certificate of number" as used herein are synonymous;

9 (12) "Clerk" means county clerk;

10 (13) "Division of Law Enforcement" means the Division of Law Enforcement,
11 Department of Fish and Wildlife Resources within the Tourism, Arts and
12 Heritage~~[Commerce]~~ Cabinet;

13 (14) "Title" means the certificate of title;

14 (15) "Commissioner" means the commissioner of the Department of Fish and Wildlife
15 Resources;

16 (16) "Federally regulated commercial vessel" means any vessel holding a United States
17 certificate of documentation with a coastwise trade endorsement;

18 (17) "Marina" means a dock or basin providing moorings for motorboats and offering
19 supply, repair, or other services for remuneration; and

20 (18) "Marine sanitation device" means equipment that is identified by the United States
21 Coast Guard as meeting the standards of the United States Environmental
22 Protection Agency or that is approved by the Environmental and Public Protection
23 Cabinet, to eliminate the discharge of untreated sewage from vessels into the waters
24 of the Commonwealth and is a device that receives, treats, retains, or discharges
25 sewage.

26 ➔Section 61. KRS 235.030 is amended to read as follows:

27 This chapter shall be known as the State Boating Act and shall be administered by the

1 Department of Fish and Wildlife Resources in the *Tourism, Arts and*
 2 *Heritage*~~[Commerce]~~ Cabinet, except the Transportation Cabinet shall be responsible for
 3 administering the boat numbering, registration, and titling requirements.

4 ➔Section 62. KRS 235.130 is amended to read as follows:

- 5 (1) No person acting for himself or another shall buy or trade for any motorboat without
 6 receiving the certificate of title issued for that boat with a certificate of transfer
 7 endorsed thereon. If the motorboat has not been issued a certificate of title as noted
 8 on the certificate of registration, the person shall receive a completed assignment of
 9 title on a boat transaction record and the certificate of registration.
- 10 (2) It shall be the duty of the purchaser to promptly submit the endorsed certificate of
 11 title or boat transaction record and certificate of registration to the county clerk of
 12 the county of the purchaser's residence or in which the motorboat is to be principally
 13 operated. The purchaser shall apply for a new certificate of title and registration
 14 pursuant to KRS 235.050. The county clerk shall thereupon issue to the purchaser a
 15 transfer of registration bearing the same data and information. The clerk shall
 16 forward the endorsed certificate of title or boat transaction record and certificate of
 17 registration and new application for title and registration to the Transportation
 18 Cabinet. Except when registration is prohibited by law, any unexpired registration
 19 shall remain valid after transfer until expiration occurs according to law.
- 20 (3) For transferring the registration, the clerk shall collect a fee of five dollars (\$5). The
 21 clerk shall retain two dollars (\$2), the Transportation Cabinet shall receive two
 22 dollars (\$2) and the Department of Fish and Wildlife Resources within the
 23 *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall receive one dollar (\$1). The
 24 fee received by the Transportation Cabinet shall be deposited in a trust and agency
 25 account for use by the Transportation Cabinet in defraying the cost of implementing
 26 and operating the boat titling and registration program. The fee for transferring the
 27 title shall be as required by KRS 235.085.

1 (4) If a transferee does not promptly submit the necessary documents to the county
 2 clerk as required by law in order to complete the transfer transaction, a transferor
 3 may submit to the county clerk, after the passage of fifteen (15) calendar days, in his
 4 county of residence, an affidavit that he has transferred his interest in a specific
 5 motorboat and the clerk may enter appropriate data into the AVIS system which
 6 would restrict any registration transaction from occurring on that vehicle until the
 7 transfer was processed.

8 (5) If the owner junks or otherwise renders a motorboat unfit for future use, he shall
 9 deliver the title to the county clerk of the county in which the motorboat is junked.
 10 The county clerk shall immediately return the title to the Transportation Cabinet.
 11 The owner shall pay to the county clerk fifty cents (\$0.50) for his services.

12 ➔Section 63. KRS 247.800 is amended to read as follows:

13 The Department of Agriculture, in conjunction with the Tourism, Arts and
 14 Heritage~~[Commerce]~~ Cabinet, shall create an interagency Office of Agritourism to be
 15 housed in the Division of Agritourism within the Office for Agricultural Marketing and
 16 Product Promotion in the Department of Agriculture. As used in KRS 247.800 to
 17 247.810, agritourism means the act of visiting a working-farm or any agricultural,
 18 horticultural, or agribusiness operation for the purpose of enjoyment, education, or active
 19 involvement in the activities of the farm or operation. It shall be the purpose of the Office
 20 of Agritourism to:

- 21 (1) Promote agritourism in Kentucky to potential visitors, both national and
 22 international; and
- 23 (2) Assist in sustaining the viability and growth of the agritourism industry in
 24 Kentucky.

25 ➔Section 64. KRS 247.802 is amended to read as follows:

26 The Office of Agritourism shall perform all duties necessary to carry out the purposes of
 27 KRS 247.800 to 247.810, including but not limited to:

- 1 (1) Within the first year of its creation, developing a statewide master plan for
 2 implementation of KRS 247.800 and this section. The Office of Agritourism shall
 3 report on the plan to the Agritourism Advisory Council at the request of the council;
- 4 (2) Developing a unified Kentucky agritourism marketing strategy between the
 5 Department of Agriculture and the Tourism, Arts and Heritage~~[Commeree]~~
 6 Cabinet to promote Kentucky agritourism. The strategy shall include but not be
 7 limited to promotion of Kentucky agritourism through the creation of an agritourism
 8 Web site and advertisement through various media outlets;
- 9 (3) Coordinating efforts to educate the general public about the importance of
 10 Kentucky's agricultural heritage and industry;
- 11 (4) Developing regional agritourism development plans for each of the nine (9) tourism
 12 regions as follows:
 - 13 (a) Bluegrass;
 - 14 (b) Cave;
 - 15 (c) Green River;
 - 16 (d) Eastern Highlands-North;
 - 17 (e) Eastern Highlands-South;
 - 18 (f) Louisville-Lincoln;
 - 19 (g) Northern Kentucky;
 - 20 (h) Southern Lakes and Rivers; and
 - 21 (i) Western Lakes and Rivers;
- 22 (5) Providing support, education, and resource materials for all interested persons, to
 23 include but not be limited to existing Kentucky agritourism businesses, displaced
 24 tobacco farmers and others engaged in agribusiness within the state, and other
 25 Kentuckians with the intent of developing an agritourism business. The agritourism
 26 office shall provide this assistance in the following areas, to include but not be
 27 limited to:

- 1 (a) Agritourism opportunities, networks, product development, and
- 2 entrepreneurship;
- 3 (b) Agritourism funding opportunities, including but not limited to grants, loans,
- 4 and partnerships; and
- 5 (c) Insurance and infrastructure concerns of the agritourism industry;
- 6 (6) Working and partnering with federal, state, and local organizations to carry out the
- 7 purposes of KRS 247.800 to 247.810;
- 8 (7) Reporting to the Agritourism Advisory Council, as created in KRS 247.804,
- 9 annually or at the request of the chair, and in accordance with subsection (1) of this
- 10 section; and
- 11 (8) Considering the recommendations of the Agritourism Advisory Council, in
- 12 accordance with KRS 247.806(2).

13 ➔Section 65. KRS 247.804 is amended to read as follows:

14 An Agritourism Advisory Council shall be established within the Department of
 15 Agriculture to advise and assist the Office of Agritourism. The Agritourism Advisory
 16 Council shall be composed of:

17 (1) One (1) representative from each of the following entities:

- 18 (a) Department of Agriculture, appointed by the Commissioner of Agriculture;
- 19 (b) Tourism, Arts and Heritage~~Commerce~~ Cabinet, appointed by the secretary
- 20 of the cabinet;
- 21 (c) Education Cabinet, appointed by the secretary of the cabinet;
- 22 (d) Department of Fish and Wildlife Resources Commission, appointed by the
- 23 commissioner of the department;
- 24 (e) University of Kentucky Cooperative Extension Service;
- 25 (f) Kentucky Tourism Council;
- 26 (g) Kentucky Farm Bureau;
- 27 (h) Kentucky Association of Fairs and Horse Shows;

- 1 (i) Southern and Eastern Kentucky Tourism Development Association;
- 2 (j) Licking River Valley Resource Conservation and Development Council;
- 3 (k) Buffalo Trace Covered Bridge Authority;
- 4 (l) Kentucky Chamber of Commerce;
- 5 (m) Kentucky Council of Area Development Districts; and
- 6 (n) Jackson Purchase Resource Conservation and Development Foundation, Inc.;
- 7 (2) The Governor, or a designee;
- 8 (3) Two (2) members of the General Assembly who hold an interest in agriculture, one
- 9 (1) appointed by the President of the Senate and one (1) appointed by the Speaker of
- 10 the House of Representatives; and
- 11 (4) Nine (9) representatives of agriculture or the agritourism industry, appointed by the
- 12 Commissioner of Agriculture from a list of candidates compiled by the tourism
- 13 regions as set forth in KRS 247.802(4). Each tourism region shall submit three (3)
- 14 candidates with a business interest in agritourism who reside within that region, and
- 15 the Commissioner shall appoint one (1) candidate from each region from those
- 16 names submitted.

17 ➔Section 66. KRS 247.810 is amended to read as follows:

18 The Commissioner of Agriculture and the secretary of the *Tourism, Arts and*
 19 *Heritage*~~[Commeree]~~ Cabinet shall promulgate administrative regulations in accordance
 20 with KRS Chapter 13A, as necessary to implement the provisions of KRS 247.800 to
 21 247.810.

22 ➔Section 67. KRS 260.165 is amended to read as follows:

- 23 (1) The Kentucky Grape and Wine Council is hereby created within the Department of
- 24 Agriculture. The purpose of the council shall be to promote and facilitate the
- 25 development of a Kentucky-based grape industry in the Commonwealth of
- 26 Kentucky.
- 27 (2) The council shall be composed of the Commissioner of Agriculture, or his designee,

1 and nine (9) members appointed by the Governor. Of the nine (9) gubernatorial
 2 appointments, the Governor shall appoint one (1) from a list of three (3) candidates
 3 submitted by the director of the University of Kentucky Agriculture Experiment
 4 Station, one (1) from a list of three (3) candidates submitted by the secretary of the
 5 **Tourism, Arts and Heritage**~~[Commeree]~~ Cabinet, three (3) winery operators from a
 6 list of six (6) candidates submitted by the Commissioner of Agriculture, two (2)
 7 grape producers from a list of four (4) candidates submitted by the Commissioner of
 8 Agriculture, and two (2) citizens at large.

9 (3) Of the members appointed after January 1, 2007, three (3) members shall serve a
 10 term of one (1) year, two (2) shall serve a term of two (2) years, two (2) shall serve
 11 a term of three (3) years, and two (2) shall serve a term of four (4) years, as the
 12 Governor designates. Thereafter, appointed members shall serve terms of four (4)
 13 years and until their successors are appointed and qualify. A vacancy in an
 14 unexpired term shall be filled for the unexpired portion of the term in the same
 15 manner as the original appointment to that term.

16 (4) The council shall select a chairman and shall meet at least once every three (3)
 17 months at the times and places the chairman designates. Six (6) members present at
 18 any meeting shall constitute a quorum. Upon the written request of any five (5)
 19 members, the chairman shall call a meeting of the council at the time and place
 20 requested.

21 (5) The council may enact bylaws concerning the conduct of the council's business and
 22 other administrative procedures as the council deems necessary.

23 (6) Members shall receive no compensation but shall be reimbursed, payable from the
 24 Kentucky Grape and Wine Council fund, for any actual travel expense incurred
 25 while attending meetings of the council.

26 ➔Section 68. KRS 260.175 is amended to read as follows:

27 (1) The Kentucky small farm wineries support fund is created as a separate revolving

1 fund. The support fund shall consist of amounts transferred to the fund pursuant to
 2 the provisions of subsection (2) of this section and any other proceeds from grants,
 3 contributions, appropriations, or other moneys made available for the purposes of
 4 the fund. Fund amounts not expended at the close of the fiscal year shall not lapse
 5 but shall be carried forward into the next fiscal year. Any interest earnings of the
 6 fund shall become a part of the fund and shall not lapse.

7 (2) A total of four hundred thousand dollars (\$400,000) shall be deposited in the
 8 Kentucky small farm wineries support fund each fiscal year from the general fund.
 9 The funds shall be used by the Kentucky Grape and Wine Council as follows:

10 (a) Two hundred thousand dollars (\$200,000) of these funds shall be used for the
 11 promotion, advertising, and marketing in Kentucky of wine produced by small
 12 farm wineries located in Kentucky. The Grape and Wine Council shall
 13 collaborate with the Kentucky Department of Agriculture and the Kentucky
 14 Department of Travel[~~Tourism~~] to develop a marketing plan that shall include
 15 brand development, direct mail and e-marketing, Web site development,
 16 collateral brochures and maps, advertising, familiarization trips, a retail
 17 program, and any other topics that the marketing plan developers deem
 18 appropriate or that may be established through the promulgation of
 19 administrative regulations;

20 (b) One hundred thousand dollars (\$100,000) of these funds shall be used by the
 21 Grape and Wine Council, in collaboration with the Kentucky Department of
 22 Agriculture and the Kentucky Department of Travel[~~Tourism~~], to establish a
 23 local marketing cost-share program. For the purposes of this section, "local
 24 marketing cost-share program" means a mechanism to provide Kentucky
 25 small farm wineries with access to matching funds reimbursements for
 26 projects that promote and market their products. Standards for the application
 27 for, and receipt of, matching funds reimbursements authorized in this section

1 shall be established through the promulgation of administrative regulations;

2 (c) Twenty-five thousand dollars (\$25,000) of these funds shall be used for
3 funding the administrative costs of the Kentucky Grape and Wine Council.

4 The costs shall include but not be limited to reimbursement for the council's
5 appointed members' travel expenses while attending meetings of the council;

6 (d) Seventy-five thousand dollars (\$75,000) shall be used for the payment of fees
7 to licensed wholesalers who apply to the Kentucky Grape and Wine Council
8 to participate in a wine distribution program established by the Kentucky
9 Grape and Wine Council. A licensed wholesaler shall apply and shall be
10 eligible for consideration for the program. The licensed wholesaler shall agree
11 to distribute the wine produced by small farm wineries licensed under KRS
12 243.155 and shall agree to sell the wine to retailers for the same price the
13 wholesaler paid for the wine; and

14 (e) The funds allocated to each purpose under paragraphs (a) to (d) of this
15 subsection shall be used exclusively for the purpose designated. Use of the
16 funds designated for each purpose shall be strictly adhered to, and the funds
17 shall not be used to support any other purpose. If at the end of any fiscal year
18 funds designated for one (1) of the purposes are unused, the unused funds
19 shall not lapse and shall be carried forth to the succeeding year for the original
20 purpose designated.

21 (3) The Kentucky Grape and Wine Council shall advise the Commissioner of the
22 Department of Agriculture regarding promulgation of administrative regulations
23 necessary to carry out the provisions and purposes of subsection (2) of this section.
24 The Department of Agriculture shall collaborate with the Kentucky Department of
25 Travel~~Tourism~~ and the Kentucky Grape and Wine Council in developing any
26 administrative regulations promulgated under the authority of this section.

27 ➔Section 69. KRS 353.752 is amended to read as follows:

- 1 (1) There is created and established within the Finance and Administration Cabinet a
 2 Kentucky Gas Pipeline Authority composed of the following nine (9) members:
- 3 (a) The secretary of the Finance and Administration Cabinet or his or her
 4 designee;
 - 5 (b) The secretary of the Tourism, Arts and Heritage~~[Commerce]~~ Cabinet or his
 6 or her designee;
 - 7 (c) The secretary of the Environmental and Public Protection Cabinet or his or her
 8 designee;
 - 9 (d) A member designated by the Kentucky Oil and Gas Association;
 - 10 (e) A member designated by the Kentucky Society of Professional Engineers who
 11 shall have experience in oil and gas pipeline construction;
 - 12 (f) A member designated by the Kentucky Gas Association representing a natural
 13 gas distribution company with a minimum annual throughput of ten billion
 14 (10,000,000,000) cubic feet;
 - 15 (g) A citizen member appointed by the Governor; and
 - 16 (h) Two (2) nonvoting legislator members, one (1) appointed by the President of
 17 the Senate and one (1) by the Speaker of the House of Representatives.
- 18 (2) Members described in paragraphs (d), (e), (f), and (g) of subsection (1) of this
 19 section shall begin their terms on August 1, 2005. The initial terms of the members
 20 described in paragraphs (d) and (e) shall be two (2) years. The initial terms of the
 21 members described in paragraphs (f) and (g) shall be three (3) years and four (4)
 22 years, respectively. All subsequent terms for those members shall be four (4) years.
- 23 (3) Vacancies occurring during the term of any member shall be filled in the same
 24 manner as the original appointment.
- 25 (4) The nine (9) members of the authority and their successors shall be a body corporate
 26 and politic, with perpetual succession, constituting a public corporation and a
 27 governmental agency and instrumentality of the Commonwealth. The authority shall

1 have the power, in its corporate name, to contract and be contracted with, acquire
2 and convey property, sue and be sued, have and use a corporate seal, and exercise
3 all of the usual powers of corporations not inconsistent with the authority's
4 specifically enumerated powers.

5 (5) The members of the authority shall receive no compensation for their services, but
6 shall be entitled to reimbursement for their actual and necessary expenses incurred
7 in the performance of their duties under KRS 353.750 to 353.776.

8 (6) The secretary of the Finance and Administration Cabinet shall serve as chair, and
9 the members of the authority shall elect a vice chair from their membership and
10 appoint a secretary.

11 (7) The secretary of the Finance and Administration Cabinet shall designate an
12 employee of his or her cabinet to serve as treasurer of the authority. The treasurer
13 shall give bond to the authority for a faithful accounting for all funds coming into
14 his or her custody, in the amount the authority may prescribe, drawn upon a surety
15 company qualified to do business in the Commonwealth. The premium shall be paid
16 by the Commonwealth.

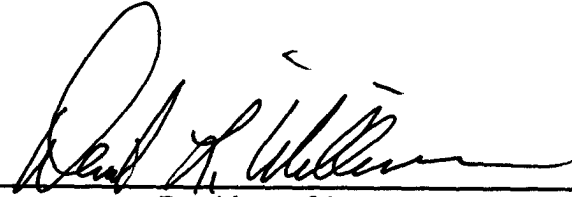
17 (8) The authority shall establish and maintain an office and keep accurate and complete
18 records of the authority's actions and proceedings, which shall be available for
19 public inspection in accordance with KRS 61.870 to 61.884. The Finance and
20 Administration Cabinet shall provide the funds, staff, facilities, and materials
21 required by the authority in the conduct of its duties and functions.

22 ➔Section 70. In order to reflect the reorganization effectuated by this Act, the
23 reviser of statutes shall replace references in the Kentucky Revised Statutes to the
24 agencies, subagencies, and officers affected by this Act with references to the appropriate
25 successor agencies, subagencies, and officers established by this Act. The reviser of
26 statutes shall base these actions on the functions assigned to the new entities by this Act
27 and may consult with officers of the affected agencies, or their designees, to receive


1 suggestions.

2 ➔Section 71. The General Assembly confirms Executive Order 2008-516, dated


3 June 6, 2008, to the extent that it is not otherwise confirmed or superseded by this Act.




President of Senate



Speaker House of Representatives

Attest: 

Chief Clerk of Senate

Approved 

Governor

Date 3-17-09